

SHOROC

REGIONAL ORGANISATION OF COUNCILS

Incorporating Manly, Mosman,
Pittwater & Warringah Councils

29 April 2002

Electricity Undergrounding in New South Wales
Independent Pricing and Regulatory Tribunal
P.O. Box Q290
QBE POST OFFICE NSW 1230

Attention: Mr Michael Seery

Dear Sir/Madam

Re: Electricity Undergrounding in New South Wales
- Interim Report to the Minister for Energy

Please find attached ShoroC submission on the interim report to the Minister for energy. The submission is comprised of the following individual submissions from the ShoroC member councils which have already been forwarded to you separately.

- Attachment 1 - Submission from Manly Council
- Attachment 2 - Submission from Mosman Council
- Attachment 3 - Submission from Pittwater Council
- Attachment 4 - Submission from Warringah Council

The ShoroC group of councils responded in this manner as they respect one another's individual differences on issues, however all four councils have chosen to make a separate combined submission to ensure that the Independent Pricing and Regulatory Tribunal is aware that all four councils are greatly concerned about and are in unison in regard to the need for undergrounding of electricity supplies. It is the belief of all four councils that the changing nature of residential usage requires an entirely new emphasis on reliability. This clearly cannot be achieved in treed areas.

The power distribution authorities recognise that street tree trimming only removes the immediate problem but does not take into account the damage to supplies which occurs during major windstorms. During such storms branches and other projectiles such as pieces of roofing regularly bring down aerial cables rendering power supplies inoperable for considerable periods of time. The four councils of ShoroC believe it is imperative that the Independent Pricing and Regulatory Tribunal act to protect the economic interests of the rapidly decentralising business sector utilising home industry and the internet as their principal method of business.

Yours faithfully



Angus Gordon
GENERAL MANAGER PITTWATER COUNCIL
On behalf of the ShoroC Executive Officer

All correspondence addressed to:

Executive Officer, Civic Centre, 725 Pittwater Rd, Dee Why 2099
Phone: 9982 3178 Fax: 9942 2460 Email: shoroc@warringah.nsw.gov.au

26th April, 2002
Reference: JWH:FM S31/3
Enquiries: Mr. Jim Hunter

Independent Pricing and Regulatory
Tribunal of New South Wales
Level 2
44 Market Street
SYDNEY NSW 2000

Attention: Mr. Michael Seery
Programme Manager Electricity

BY FAX: 9290-2061

Dear Sir/Madam,

Rc: Submission to the Independent Pricing and Regulatory Tribunal of New South Wales -
Undergrounding Electricity Wires

I refer to the Interim Report from the Independent Pricing and Regulatory Tribunal relating to Electricity Undergrounding in New South Wales and make this submission on behalf of Manly Council.

As you will be aware, Council previously made a submission to the Inquiry, particularly in relation to avoided costs, environmental and amenity benefits and reliability of supply. Manly Council notes that the Tribunal has addressed these, however, would contend that "quantifiable benefits" of the undergrounding programme being quoted at some \$400 Million to \$480 Million over 40 years (in net present value terms) seems low.

In particular the reduced costs relating to motor vehicle accidents involving collisions with utility poles, etc. at \$230 Million to \$260 Million over 40 years seems low if one takes account of:-

1. The costs of repairs to the infrastructure.
2. The damage to the vehicles concerned.
3. The cost of medical treatment to those persons injured in those accidents.
4. The cost of processing claims for damages.

5. The damages awarded arising out of those motor vehicle accidents.
6. The cost of insurance to provide public liability cover.

This presumably takes no account of the impact that such accidents have on the public purse by way of supporting members of the families of those injured or killed in motor vehicle accidents and their dependency on the public health system and/or social services system. The cost of treatment and rehabilitation of people injured and maimed in motor vehicle accidents is very high. The cost in terms of post traumatic stress disorder (both in dollar terms for treatment and in reduced productivity) is a matter which Council believes needs particular consideration.

This is a cost which has not been well researched and perhaps not fully acknowledged at the present point in time.

Similarly, Council also feels that the costs associated with maintaining the overhead network are potentially undervalued at \$105 Million over 40 years and there seems to be little or no acknowledgement that outage and/or interruption of energy supply has enormous impacts on literally hundreds of thousands of businesses whose productivity (and reliability of information) can be impacted to varying degrees by way of interruption of energy supply. There is a growing phenomenon of the "home office age" and literally millions of consumers rely on the internet to access for study and work from home purposes.

I doubt that there is any reliable information as to the cost of interruption of energy supply to business and certainly in our own organisation, it would appear that interruptions to energy supply sometimes causes varying degrees of interruption of the Council's computer network and that documents are temporarily inaccessible or documents which have been prepared are lost and need to be recreated. In this organisation that is part of the Network Managers function, however, there is no attempt to capture the cost of these interruptions and certainly there is no understanding (or assessment) of what the interruption of energy supply means to the losses in productivity of the various staff members (over 300 people) within the organisation.

A Sustainable Future

The issue of sustainability becomes ever more compelling as our society drives for environmental sustainability, as well as economic and social sustainability. There can be little question that the practice of undergrounding is really the only answer on environmental sustainability and on social sustainability grounds. It would appear that at this time there is a question mark over the issue of economic sustainability. However, Manly Council would suggest that difficult problems frequently do not go away, they just get bigger and that a strategy that at least stops the problem growing whilst effective alternatives are put in place is a prudent management strategy.

It would seem that particularly in relation the **Sydney metropolitan area, the life of the overhead network is probably at a critical time in its life cycle and that unless the network is put underground at this appropriate time within the life cycle, the reinvestment in the existing form of network will mean that the question of undergrounding is deferred for another 20 years on the basis that it is uneconomic to retire the asset early in its life cycle.** **Manly Council** believes that much of the infrastructure in its area is probably well advanced in its life cycle and that in general there is a problem in maintaining the integrity of the service, particularly in relation to the issue of trees interfering with the network. Council would argue that at some time (sooner rather than later), the **Energy Authority** should stop mutilating street trees in the area and divert that money to the undergrounding of the network

Council feels that the costs of maintaining the network clear of trees (either the expenditure of the **Energy Authority** or the expenditure of Councils) is enormous and that this interference with the trees is unnatural, particularly when it is reoccurring on a 12 to 18 month cycle. Trees in nature are not subject to this intervention and it is deleterious to their form and function.

The cost of tree lopping to the **Energy Authorities** and to local Councils over a period of 40 years must be enormous and Council seriously questions whether this has been taken into account. This real cost is quite separate and distinct from the amenity cost associated with mutilation of the trees.

Funding Options

Manly Council reads with interest the various funding options considered by the Tribunal and agrees with the notion that some form of mixed funding approach is the best option.

Council would argue that recovery of costs from individual electricity consumers via electricity charges is appropriate and that when this is further refined by having a differential charge applicable to those users who will get the benefit of undergrounding, that this is an appropriate mechanism.

Council would also argue that the option of the State making a contribution for urban undergrounding by reimbursing the costs and gifting the assets to the DNSP's is also justifiable on the basis that other State costs will be reduced, i.e. health and social service costs.

Council would also make the point that it is Manly Council's understanding that the State of New South Wales benefited considerably from distributions received from Energy Distribution Authorities within New South Wales and particularly from the Sydney County Council and its successes over a period of years.

If energy consumers have been subsidising State coffers by this means over a period of years, it seems quite reasonable for the State to return the subsidy by way of contributing to undergrounding and at the same time in facilitating the undergrounding actually achieve further revenue savings by reducing demands on its other services (particularly in health and community services).

Prioritising

Manly Council feels that the notion of a property based charge levied and collected by Local Government is certainly not the way to go. Council strongly believes that the practice of Councils is being used for collection of revenues for and on behalf of the State in relation to Planning New South Wales activities and/or Fire Board Levies is fundamentally wrong and the fact that these are not rate pegged is grossly unfair to Councils.

Council does feel, however, that if property owners are minded to elevate the priority of their particular undergrounding programme by making a direct contribution, that this is not a bad thing. Clearly the State Government in its policy decisions frequently makes grants available in areas which it wants to encourage activity and that such grants encourage Councils in particular policy directions. If the State or Electricity Authorities had particular areas which they wished to underground first for whatever reason, it may be that the acceptance of a higher charge by the consumers for a defined area is in fact a practical and reasonable proposition (to put to the consumers).

Conclusion

The fact that so much of the network within New South Wales is in fact undergrounded at the moment, clearly indicates that it is a desirable, practicable and sustainable objective. The only question seems to be one of cost. As stated previously, Council strongly feels that the State and the consumers should be contributors to the funding and that the notion of a property based tax collected by Local Government is not justified.

Yours faithfully,

J. W. Hirst,
Acting General Manager

FMM: 84320/1-4

Scott Turner/ST

26 April 2002

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

Dear Sir/Madam,

Re: **IPART Interim Report on Undergrounding of Overhead Power Lines.**

Attached please find Mosman Council's submission in response to the interim report. This submission will also be included as part of an overall submission to be made by the SHOROC group of Councils which will be forwarded under separate cover.

If you require any further information please contact Scott Turner on 9978-4021.

Yours faithfully,

VHRMAY
GENERAL MANAGER

Per.

(S Turner, Manager Assets and Services)

Att.

UNDERGROUNDING OF OVERHEAD ELECTRICITY WIRES

SUBMISSION TO INDEPENDENT PRICING AND REGULATORY TRIBUNAL OF NEW SOUTH WALES BY MOSMAN COUNCIL APRIL 2002.

Introduction

The Independent Pricing and Regulatory Tribunal (IPART) were requested by the Minister for Energy to examine the **costs** and benefits to all stakeholders of undergrounding electricity Wires carrying voltages of up to 22 kilovolts (kv) in urban and regional centres. After initial investigations an interim report, dated April 2002, to the Minister was prepared and public submissions sought on the interim report. This submission has been prepared in response to the interim report.

This submission has been prepared by Mosman Council as part of an overall submission to be made by the SHOROC group of Councils which includes Manly, Mosman, Pittwater and Wamngah Councils. The submissions from these other Councils deal with a number of factors arising from the report which will not be repeated here unless relevant to the matters under discussion.

costs

Street Lighting

The report deals with the potential costs of undergrounding the overhead network. One factor that has not been considered is the impact that undergrounding would have on future street lighting improvements.

Councils across NSW pay for the street lighting in their respective areas. In general the level of street lighting adopted in many areas does not conform to the requirements of the current Australian Standard. All street lighting installed prior to the introduction of the standard generally did not meet its requirements. If Councils choose to undertake works in areas where the **lighting** does not meet the standard, they must upgrade to the current requirements. With the existing overhead network this can often be a relatively simple and inexpensive task. New street lights can easily be installed on existing poles for a small increase in the annual tariff charged by the electricity provider. Typically this is approximately \$120 per annum for one 80W MBF light. If the overhead network is undergrounded, this opportunity will be lost. New lighting installations would require excavations to make connection to the network and to install a pole for the light. The cost of this is approximately \$8,000 up front capital cost to the Council per light, plus an increased annual tariff of approximately \$90.

The question therefore needs to be asked whether some level of street lighting upgrade should be carried out at the time the initial undergrounding of the overhead network is undertaken.

Benefits

The report deals with a range of benefits to be gained by undergrounding of the network. However, **again** there seem to be a number of **factors** which have been overlooked.

Tree Pruning

There is no mention in the report of tree pruning as an avoided cost of undergrounding overhead power lines. Pruning of trees to avoid interference with overhead power lines is a substantial annual cost to councils and energy distribution authorities across NSW.

Certainly the level of activity by Councils in this area varies greatly across the state with **some** Councils actually disputing whether they have responsibilities to undertake pruning of some or all trees and others having insufficient funds to undertake the work. Regardless of this, the bottom line is that substantial **costs** are being incurred by councils and energy distribution authorities both in terms of the physical work required to prune **trees** and administering such works via site inspections, correspondence etc.

Another benefit not apparently considered is that reduced tree pruning would result in greater foliage cover on trees. This in turn means that an individual tree contributes further to reduction in greenhouse gases than it otherwise would if it had been pruned.

Tree planting

A benefit not identified in the report is that large tracts of land are currently not available for **tree** planting due to the overhead network. If the overhead network was placed underground, more trees could be planted in many of **these** areas which contributes to reduction in greenhouse gases. Depending on the extent of undergrounding, **large tracts of land** of 500 square metres in area and above may qualify for carbon credit schemes currently being considered as part of overall plans to reduce greenhouse gases. Given that electricity generation by the burning of fossil fuels is a significant contributor to greenhouse gas emissions, this would seem to be a potentially significant benefit that has been overlooked.

Whilst the inquiry conducted by IPART has not initially examined power distribution lines carrying greater than 22kv, the recommendations from Meritec Limited regarding the use of an optimised approach to the **costs** of undergrounding may mean that higher voltage lines are also considered. This may create further opportunities for tree planting.

Real Estate Values

In some coastal areas, and in particular some suburbs of Sydney, it is fair to say that real estate values can be significantly increased by the undergrounding of overhead power lines. In parts of Mosman, the real estate values are such that the nett cost of placing overhead wires underground is significantly less than the nett increase in property value to be achieved due to the creation of an uninterrupted view to the surrounding waterways. In this regard a number of individual property owners in Mosman have chosen to undertake small undergrounding projects to achieve the uninterrupted view and therefore property value increase.

Such property value increases only seem possible where substantial harbour views are involved. It is not considered appropriate to make a general statement that every property value will increase due to undergrounding of **the** overhead power lines regardless of whether a view improvement is involved or not. **Indeed** it is the experience of Mosman Council that unless a substantial improvement of views is

involved, there will be little or no property value increase as a result of undergrounding the power lines.

Who Pays?

It is quite clear that the consumer will have to pay some contribution towards the cost of any widespread undergrounding project. The question remains as to what is the best way to determine the level of contribution and who administers the collection of the funds. The report deals with amenity issues in some detail and seems to struggle with how to place a value on any increased amenity arising from undergrounding of overhead power lines.

Real Estate Values

The report suggests that local government is best placed to collect the funds. This seems to be based on the premise that there will be a general increase in property values due to undergrounding of the overhead wires and the valuation system used to determine local government rates could be used or adapted to calculate a special levy for undergrounding. This argument is considered to be flawed and raises several questions.

As outlined above it has not been Mosman Council's experience that property values in general will increase due to undergrounding. Property value increases due to undergrounding of overhead power lines seem to be related substantially to the creation of an uninterrupted water view as a result of such undergrounding. This raises the question of why any property Owner who will not achieve an uninterrupted water view by undergrounding the power lines should contribute the same amount to the project as one who will. It also raises the issue of why property owners in areas where the power lines are already underground should contribute the same as those in areas where they are not.

Local Government to Collect

Any proposal to have Local Government collect any special levy to fund an undergrounding program is not supported and strongly objected to by Mosman Council. This simply represents a devolution of responsibility from energy distribution authorities to local government. The electricity network is owned and operated by those authorities and they have mechanisms of their own to collect such funds. It is their infrastructure that is to be moved underground and they should be responsible to collect the revenue required to undertake the task.

The fact that the State Government has for some time now collected special dividends from energy authorities has substantially eroded their ability to properly maintain their infrastructure and plan for future improvements. Considerable sums of money have been paid to the State Government and these funds could have been used to at least partly contribute to the costs of undergrounding.

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A more appropriate way to determine levels of financial contribution to an undergrounding program would seem to be the level of energy use by a customer. Certainly energy use should be a significant component of any formula developed to determine financial contributions. Large users of energy, particularly industry, are dependent on reliability of electricity supply for their business and many have specific contracts with energy distributors and suppliers. The benefit to these organisations to

be gained from reliability of supply is far greater than most normal households, although this is changing with increased use of home computers for study and work.

The energy distribution companies are best placed to determine such levels of use and therefore calculate the financial contribution to be made. Local government has to be responsible in setting its own rates and justify to the Minister for Local Government any special rate levy or increase above that set each year by the State Government. It would seem appropriate that energy distribution companies could adopt a similar approach by identifying a special levy for undergrounding overhead wires to be charged with the normal electricity account and identified separately. The funds could then be placed into reserve for the undergrounding project.

Development Controls

One method of having overhead power lines placed underground in the Sydney area is to require it as part of the large scale redevelopment that is occurring all over Sydney. The State Governments urban consolidation policies have resulted in widespread redevelopment of established areas. Mosman Council has for some time required that as part of any development of a certain size or above, the existing overhead power lines be placed underground at the applicant's expense as a condition of development consent. The requirement is outlined in the relevant development control plan. If such requirements were put in place in all urban areas across Sydney and perhaps NSW the required contribution from the general public would be reduced over time.

Electricity Distribution Authorities Contribution

The report suggests that electricity distribution authorities contribute 15 - 20% of the cost of any widespread undergrounding project. This is based on the calculated cost savings identified in the report to such authorities. The calculated savings do not take into account the tree pruning and tree planting issues mentioned above. Another related issue here is that in accordance with section 48, sub-section (10), of the Electricity Supply Act (1995), energy distribution authorities cannot require councils to prune trees, nor can they undertake the pruning themselves, of trees located on a public reserve within the meaning of the Local Government Act 1993. Undoubtedly there would be many situations where electricity wires are interfering with trees on public reserves and in these circumstances it would appear that the relevant authority has no choice but to relocate the overhead wires or place them underground.

On this basis it would seem that the suggested figure of 15 - 20% that electricity distribution authorities should contribute to the overall cost of any widespread undergrounding project is considered low and not representative of the potential benefits they would gain from such a program.

Summary

In summary the proposal to have a widespread program of undergrounding overhead power lines is strongly supported by Mosman Council. It is considered that there is still some work to be done to identify and quantify the potential benefits arising from such a program and who would reap those benefits, both environmentally and financially. This in turn would allow a more equitable determination of what level of contribution should be made by the relevant stakeholders. Any proposal to have local government collect funds for a widespread undergrounding program is not supported. The electricity distributors are considered to be the corporate body that should be responsible for determining and collecting such funds.



All Correspondence to be addressed to General Manager

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Dennis J Baker, Acting General Manager
8am to 6pm Mon - Thurs, 8am to 5pm Fri

24 April 2002

Electricity Undergrounding in New South Wales
Independent Pricing and Regulatory Tribunal
P.O. Box Q290
QVE POST OFFICE NSW 1230

Dear Sir/Madam

**Re: Electricity Undergrounding in New South Wales
- Interim Report to the Minister for Energy**

I attach herewith Pittwater Council's submission on the interim report to the Minister for Energy.

Council's submission addresses a number of issues, particularly the **benefits** to undergrounding which appear to be only partially covered **in** the interim report. This submission clearly supports **the** arguments for undergrounding electricity wires.

Pittwater Council is **also** of the view that the consumers of electricity should bear the costs of undergrounding. In saying this, it is my understanding **that** the respective **N.S.W.** State Governments have **for** many years been receiving dividends from electricity providers, eg. Energy Australia and its predecessors.

The consumers have therefore been paying the State Government this dividend, that, if properly applied to **electrical** infrastructure undergrounding over the years, would have contributed significant funding to an undergrounding program.

The **N.S.W.** Government must now take responsibility for fully funding an undergrounding program through previous revenue received and for future revenue collections by the energy providers in their customer billing.

I would be happy to address the Tribunal on Pittwater Council's submission.

Yours faithfully

Dennis J Baker
ACTING GENERAL MANAGER

PITTWATER COUNCIL

Submission to the Independent Pricing and Regulatory Tribunal of New South Wales Undergrounding Electricity Wires

I refer to the Interim Report from the Independent Pricing and Regulatory Tribunal relating to Electricity Undergrounding in New South Wales and make this submission on behalf of Pittwater Council.

The Council's primary concerns are that the Interim Report does not go far enough in identifying the benefits of undergrounding electricity. In addition to the benefits described in Section 3 of the Interim Report, I believe the following issues should also be taken into consideration.

Benefits

Business Benefits

The current and increasing trend today more than ever before is for people to work from home, **This** applies not only to executives and home business operations, but also to other telecommuters who by choice or business demand operate from their home address.

These people working from home require reliable power **and** communication links and the undergrounding programs will play an essential part in ensuring minimal downtime to these business users. This benefit should in no way be underestimated or taken lightly.

Working from home is also a major factor in contributing to the solution of Sydney's transport **problems**. People **who** elect to work from **home** do not require either **public** transport or private transportation to commute to **and from** work.

This is a considerable benefit given the current lack of state government transportation infrastructure to our road networks generally.

It should be a major strategic thrust **for** both federal **and** state governments to encourage businesses and individuals to work from home and this will require dependable and consistent power and communication lines.

IPART should, as **part** of the strategic focus be encouraging energy providers to underground all power and communication lines to **ensure** inter alia business continuity.

Business activities which today require consistent and high quality power supplies must be recognised in **any** analysis of costs vs. benefits.

Urban Consolidation Impact

Another important issue **in** the analysis of undergrounding electricity is **the** State Government's urban consolidation push.

This requirement of the State Government causes the reduction in the land capable of carrying trees. The streetscape therefore provides an area for the planting of trees and the undergrounding of electricity wires would contribute to more trees being planted without obstruction.

The need to remove or merely trim trees so as to reduce the hazard of fire and windstorm damage would be eliminated by undergrounding aerial **cables**.

Triple Bottom Line Focus

The current accounting treatment of many organisations, particularly government, requires the organisations to focus on the triple bottom line, i.e. Financial, **social** and environmental outcomes.

Energy providers should **be** well versed in this analysis and accordingly should ensure that they concentrate on these outcomes.

The undergrounding **of** cables **would** achieve all the **outcomes** particularly financial and environmental. IPART should ensure that the triple bottom line philosophy is considered in the assessment of benefits in undergrounding electricity cables.

Society Costs to Not Undergrounding

Among the questions that should be asked, what **is** the true cost to society by not undergrounding electricity wires?

It is the choice of the energy provider as to how **they** distribute their product.

The provider should ensure that all matters are considered in the **cost/benefit** analysis.

The cost **of** not providing the product **due** to storm damage, which can **be** minimised **if** not totally avoided because of undergrounding should be clearly stated.

As stated above there is business loss costs due to **electricity/communication** cables being damaged or destroyed.

Students of university and high schools **who** use computers (an essential tool these **days**) would be severely affected by **down** time that can be avoided by undergrounding the **cables**.

Amenity Benefits of Visual Streetscape Improvements

The media release inviting submission states that the **bulk** of potential benefits largely comprise the amenity benefits of visual streetscape improvements.

I disagree with this statement. The benefits **are** many, as **is** indicated **in** the interim report to **the** Minister for Energy, as well as the benefits shown in **this** submission.

Other Avoidable Maintenance Costs

Tree trimming is **regularly** undertaken **by** electricity providers **and** in some cases local Councils. These costs when aggregated across all local government areas are quite significant and can be avoided by undergrounding of electricity wires.

It is considered that avoided maintenance costs have been underestimated if these figures were excluded.

Who Should Pay for Undergrounding?

The consumers of electricity should pay for the benefit they receive.

The consumer includes all users of the product, be they individual, business or government.

It is suggested that the charges be separately and clearly identified on electricity accounts.

Alternatively a separate levy should be made on consumers. Clearly stating Undergrounding Levy.

It is not in any way appropriate for local Councils to be used as the revenue collectors on behalf of the energy provider.

This is an abrogation of responsibility by the provider. It is the providers' infrastructure that is being moved from overhead to underground and the providers should raise the charges and collect the revenue at its cost to underground its infrastructure.

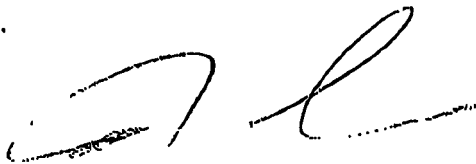
The undergrounding of electricity wires has been the subject of discussion for decades. The normal member of the community would expect that electricity providers would have been creating financial reserves for the purpose of progressively undergrounding their electrical mains over many years. Such reserves would have been financed by the electricity tariff charged to consumers.

Instead of providing dividends to the State Government the providers should have been directing their attention to improving their own infrastructure.

It is time this matter was addressed and funds set aside by the providers from their own revenue streams.

It could be possible to argue that the consumer has already contributed significant funding toward any undergrounding program through the dividends paid by energy providers to the N.S.W. State Government.

Accordingly, if the argument is developed, it should follow that the N.S.W. State Government should progress the undergrounding of power lines from funds it has already received and will continue to receive from the provider.



Dennis J Baker
ACTING **GENERAL MANAGER**

26 April 2002

Independent Pricing and Regulatory Tribunal of New South Wales

PO Box 4290
QVB Post Office
NSW 1230

Dear Sir/Madam

Re . Submission on the Interim Report entitled
Electricity Undergrounding in New South Wales

Thank you for the opportunity to comment on the above report.

Warringah Council is concerned that the report underestimates the benefits to electricity suppliers of an undergrounding of powerlines throughout New South Wales, and therefore underestimates the relevant costs that the electricity suppliers should contribute.

The report also fails to emphasise that undergrounding of powerlines is carried out as a matter of course in new developments and therefore is accepted as an industry best practice. Accordingly, the electricity supply companies should be accepting more responsibility to implement this best practice across their existing above ground networks.

Electricity supply companies, as responsible corporate citizens, should also be focusing on the "triple bottom line" and implementing works that have social, financial and environmental outcomes. Clearly the undergrounding of powerlines would be a practice that a responsible electricity supplier should be implementing as a matter of practice.

Electricity supply companies should be providing an increased focus on ensuring reliability of supply to their customers. It is felt that the Interim Report underestimates these benefits eg with the increased focus on working from home, and the essential use of Internet services for home businesses and students, reliability of supply is an essential component for all electricity supply companies and their customers. The much greater reliability of supply offered by an undergrounding of powerlines is an objective that the electricity supply companies should be more rigorously pursuing.

In terms of the revenue collection from customers of the costs involved in undergrounding, Warringah Council does not believe that it is appropriate for local government to be used as a revenue collection agency. It is the electricity supply companies' infrastructure that is being moved underground, and they should be fully responsible for the revenue collection required.

The undergrounding of electricity powerlines has been the subject of community concern and discussion for decades. It is to be expected that the electricity supply companies have already made provision in terms of financial reserves for the inevitability of undergrounding. Such reserves would have been financed by the electricity tariffs historically charged to consumers across New South Wales.

Yours faithfully,

Stephen Blackadder
GENERAL MANAGER