

INDEPENDENT PRICING AND REGULATORY TRIBUNAL
OF NEW SOUTH WALES

Terms of reference

**IPART Review of the Costs, Benefits and Funding for
Undergrounding Electricity Cables**

This review is to be conducted by the Independent Pricing and Regulatory Tribunal (IPART) under section 9 of the *Independent Pricing and Regulatory Tribunal Act*.

The review is to identify the costs, benefits and funding options for undergrounding electricity cables in NSW. In considering these matters, the Tribunal shall have regard to:

1. The level of capital expenditure required for putting electricity distribution cables underground in NSW urban areas (including Sydney and regional centres).
2. The feasibility of undergrounding electricity cables with other utility services including telecommunication, and any economy of scale that can be achieved.
3. A comparison of the costs associated with maintaining the current network compared to undergrounding.
4. The types of costs which are avoided as a result of undergrounding.
5. The distribution and timing of benefits to those who benefit including an appraisal of the overall public benefit to the wider community.
6. Options for funding undergrounding projects having regard to:
 - improvement to the urban environment and public amenity
 - reliability of electricity supply
 - types of undergrounding projects including main roads, CBD/regional centres, shopping centres and residential streets
 - impact on electricity pricing
 - those who benefit and those who pay.
7. The impact on customers and in particular any differential impact on rural or urban customers, pensioners and low income households.

In conducting this review, IPART is requested to:

- provide an interim report to the Minister for Energy in March 2002
- undertake consultation including a public workshop in April 2002
- provide a final report by 10 May 2002.