

TO THE CHAIRPERSON ERA
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DEAR SIR

**SUBMISSION
INQUIRY INTO STATE UNDERGROUND POWER
PROGRAM
COST AND BENEFIT STUDY**

I DO APOLOGIZE FOR THE LATENESS OF MY COMMENTS I ONLY READ ABOUT IT ON JULY 20, 2010.

General Comments.

A It is astonishing that after so many years a by now disgraced treasurer could review an established program. No reasons were given. We are at liberty to suspect that the treasury seeks for more ways to reduce its community support at the time of a "boom".

B Does it still make no common sense to bury electricity power supplies where possible?

C The spending of considerable amounts of taxpayer money on a "fishing trip" will in no way reduce the now apparent future cost increases for that program.

D The amount of quotes from investigations into the subject by a chronically flawed NSW government comes as a surprise.

E I also note your basic approach which for unknown reasons excluded wellknown terms. E.g. Community Service Obligations (CSO) and a far more current and overused word, namely Infrastructure. In respect to the former it fell victim to the onslaught of Globalisation, the WTO, GATS and the "user pays principle" which defies the very notion of service to the community. Infrastructure has become a very restrictive term and covers only health and education (both to a degree) to keep us happy and of course a "leg up" (covert and overt) to a few powerful and influential industries to suit their agenda of so-called bottlenecks. It is noticed that an underground powersupply to about 2 million residents in a capital city is NOT infrastructure. In this context I see a need to remind your authority about our deepsewer system. It was initiated a long time ago by Premier R. Court who had the idea that septic tanks were not really the way to go. Many years and governments later the system is as yet unfinished. Any excuse by treasury and government is good enough to NOT COMPLETE it and there are more examples.

F I am concerned about the uncertainty of the economic regulator to allocate monetary values on our ways and qualities of living. The use of the words potential (and "may") was high and indicative of assumptions; note of course its latin roots.

Special Comments. (by page numbers)

PAGE 6 We hear regularly about governmental red tape in WA and the failure to cut through it. Eleven steps to start undergrounding cables in a part suburb seems to be a

case in question. It strikes me as odd that there were no timelines set. So performance criteria or measures are out and nobody can judge.

PAGES 5 & 6. MRPs and LEPs. I am amazed that bureaucrats found it necessary to separate the two. In respect to the latter, to bury a few hundred meters of power lines for the purpose of local enhancement, tourism, to beautify local entrances, scenic routes or heritage issues the finance question should not even arise. Those who desire it or need it should pay or go to their local mining company to sponsor as it happens almost as a rule in this colonial economy. More so since LEPs are "aimed at delivering improved amenity benefits to the local community". Those benefits will be very hard to establish in \$s and cents, so called quantitative information or physical units (?). so desperately needed by economists. Maybe they could come under KR 007's economic stimuli.

PAGE 11 paragraphs 4 & 6 do not provide a clear understanding to any reader, "including costs associated with the early retirement of overhead network assets prior to their effective expiry lives". Western Power, the current network or powerlines operator does not publish any years of usefulness and indeed what are those poles worth after x years of service (a figure came out in the recent Toodyay debacle!) ? I saw them at a local rubbish tip being dismantled. "If powerlines are maintained correctly, that system is not likely to need replacement entirely". Are you suggesting as others have, that Western Power failed to maintain hundreds of thousands of poles? Did they save on maintenance costs to provide a profit to various governments? Will it take years to catch up on system maintenance ? Of course the Tenterden and Toodyay fires, regular polefires, the amount of steel bars, profile and 2mtr steel sleeves around thousands of pole bases speak for themselves.

PAGE 12 top paragraph. 50% from the LGA (meaning the ratepayer or consumer), 25% from the State government and 25% by Western Power. This costsharing philosophy is flawed. I remind the authors of the two words in my General Comments. The product are not the copper or aluminium wires, but the electricity transported therein. We consumers should not be expected to pay for the ways of delivery. Are we paying for the railway lines on which our grain is transported, the street in front of the house or the ship which carries hundreds of containers ? I do admit that the "market" is increasingly distorted by ever increasing numbers of "middlemen". It shows that the cherished market forces do not stop corruption between the stakeholders, it also includes the "user pays principle" which has many loopholes in it.

PAGE 19 paragraphs 5 & 6. As indicated above it is very difficult to understand your interpretations for a "market", "market failure", "a third party requiring regulation" (I know even of an honorable Minister for DEREGULATION !), national defence is "a public good", a "good consumed by all" (like going to war in Afghanistan?), or that externality being car accidents and traffic congestions. Ten steps to arrive at the CBA speak for themselves.

PAGE 22 paragraph 2. Western Power therefore should pay the highest share of the costs for undergrounding. In conjunction with VERVE do they want to run a first world supply system in order to supply energy to the community or not ? They do charge any energy generator, Landfill, Cogenerator, Windfarm or middle man for sending any electricity through their powerlines.

PAGE 23 "Calculate Decision Criteria", "Sensitivity Analyses", or "Identify Preferred Options" are terms which your submitters are hopefully conversant with in order to put a 415 volt power cable under the verge. May be there is a need to raise the level of communication above that of waffle.

PAGE 24 paragraph 5. Do you mean a "fibre" or the deployment of a "fibreoptic cable" in the air or underground? It has been known for ages that overhead lines are cheaper than underground cables. We do not have to read that in a report by the US Edison Electric Institute.

PAGE 25 paragraphs 1, 4 & 5. There is no information on the lifespan of four wires on a pole versus the same four phases in a 50 years underground cable. Please read up on the current Toodyay dispute, the Energy safety office and Mr. Aberle's denial stance.

I am amazed about the regular, but varying price increases, ranging from 2.9% to 12.5%. The reasons for those regular increases p.a. shows the spin and hyperbole surrounding competition, productivity, economies of scale, better efficiencies, market forces, performance indicators and the bonuses being paid.

PAGE 28 paragraph 1, 3 & 6. Work risks during vault or manhole inspections and digging into cables is a "red herring". Also why is North Carolina relevant for this state? "Short blackouts (now called outages?) and disturbances, pole fires, branches birds, vandalism etc are not recorded". Why is that allowed in this era of number-crunching, data basing, statistics for everything, burgeoning public sector, a failing costly OSS and a CUSTOMER CHARTER about that supply?

PAGE 34 paragraph 3. ORS and the poles. Surely the poles do not move. It is the careless drivers who fail to notice the hazards and their own limitations. "Car to Pole" is another slogan and a reflection of our nanny state. It is the latter which constantly erodes our own responsibility as citizens.

PAGE 37 paragraphs 1 & 3. I do not agree with the entire (NSW based) paragraph. Why is a wellplanned and safe power supply not part of the national infrastructure? It should be financed from general revenue. Notwithstanding the fact that every authority will try to "pass the buck" down the line via network charges, wholesale costs and eventually commercial and domestic tariffs. Nowhere in your investigation are those revenues mentioned being charged to third parties using Western Power lines to transport electric energy. A legacy of that scandalous breakup.

PAGES 38 & 39. I have question marked many paragraphs. Again the reader is told why a (poor governance) NSW report should suggest about who should pay. No government has money, it is all sourced by debt or taxes. At the end of the day we will have to pay in whatever form. Why do we reinvent the wheel? "Benefits accruing to the individual household". I do not believe for one minute that "the same network tariffs are charged to all customers in SWIS". Again where is the market and what is the saleable product? ON page 39 the authors show six different percentages ---what do they reveal to bury our power supply lines? Underground installation's faults are harder to rectify and as evidence you quoted an unverifiable Florida statement? Similar concerns cause me to question a Virginia report "the willingness to pay" \$3000 pa (?) there and \$ 6838 in Canberra? On page 40 the authors claim annual cost increases of 6.4% while on page 25 it says 7.4%. Incidentally both figures are way over the CPI or the Inflation rate/band.

Finally my own consumption figures have been minimal for years (including other services). Yet despite planning and wideranging outsourcing and selloffs we are told to save on electricity, gas and water. Our agricultural food supplies are ever more supplemented by imported foods, including from third world countries. Despite economic regulation and a Minister for Deregulation and countless Universities and Thinktanks someone has lost the way to lead a mere 22 million society.