Underground Power Project

TOWN OF VINCENT

NEWSLETTER No. 1

message from the Mayor

Nick Catania JP
Town of Vincent

I'm delighted to share with you some very exciting news. The area of Mount Lawley, Perth, East Perth and Highgate in which you own a property is currently being considered for the installation of underground power. This will mark a significant milestone in the development of the Town.

The State Underground Power Program (administered by the Office of Energy), which has given preliminary approval for the proposed project area, is particularly attractive because successful proposals receive a 50% financial subsidy from Western Power and the State Government towards the cost of the project. There is a map of the project area on the back of this newsletter.

A vital part of the approval process requires the Town to conduct a survey of property owners in the project area (enclosed). This is to find out whether property owners support the proposal and are willing to contribute towards the costs involved. Without this support the project may not go ahead and the Town may not have another opportunity to receive a State Government funding subsidy in the future.

Your elected members unreservedly support the removal of overhead power lines and their replacement with underground cables, wherever feasible and cost effective. Underground power delivers real and worthwhile aesthetic and safety benefits which are explained further in this brochure. A number of payment options will be offered which I hope will encourage you to embrace this opportunity.

The information in this newsletter explains how the underground power program will affect you, and will help you to complete the enclosed Survey Questionnaire. I urge you, as a matter of priority, to complete the survey and return it in the enclosed reply paid envelope by 3 May 2006. We will let you know the outcome of the survey.

Now please read on to learn more about the proposal and contact the Town if you have any queries.

The Background

Underground power is proving extremely popular throughout the metropolitan area because of the benefits listed below and there is strong competition among local governments to secure projects and obtain the benefits of funding subsidies. Many Town of Vincent residents have contacted the Town in recent times expressing their desire for underground power to be progressed in our area.

The proposed project area, in which you own property, has been selected by the Steering Committee for round three of the State Underground Power Program and comprises approximately 840 lots. The map on the back page shows this area in more detail. This survey is necessary to find out whether there is support for underground power in this area.

The Benefits

- More attractive streets with the removal of most of the electrical poles and overhead wires and replacement of the old light poles with new street lights mounted on tapered steel columns, will increase the value of properties and make the area more desirable to live in.
- Greater reliability and improvements in the quality of power supplies and the elimination of power supply faults caused by storms, trees, bird life, vandalism and motor vehicle collisions with poles.
- More attractive street trees with reductions in tree pruning which are currently required to keep trees clear of overhead lines.
- A reduction in power supply surges and damage to sensitive equipment due to overhead line faults.
- Improved standard of street lighting, which will deter crime and improve safety on our streets.
- A safer public environment without poles and the danger of exposed overhead live wires.

Unsightly pruning eliminated

People with specific requirements can request to have this brochure provided in Braille, a language other than English, large print, on computer disk or audiotape.

How Much Will it Cost?

Current budget estimates indicate that the cost of providing underground power to a typical single residential property will be approximately $6000 to $7400. As the subsidies from the State Government and Western Power covers half of these costs, it is anticipated that owners of an average residential property would be required to pay approximately $3000 to $3700 to participate in the scheme.

The charge is divided into two components:

Network charge
This provides for the cost of installing the new underground power network in the street including infrastructure such as transformers, switch gear and new street lighting. It also includes the cost of removing the old overhead system.

The exact methodology to be used for determining network charges is yet to be determined, however it is expected the amount payable by owners will be between $2500 and $3200 for the average residential property.

Service connection charge
This is a standard charge for the connection of power on private property from the meter board to the service pillar located at the front property boundary. After the application of the Government's 50% subsidy, the standard charge payable by the property owner is expected to be approximately $500 for a typical residential property. Concessions will apply for properties that already have an internal underground connection.

Total estimated cost
When both components of the charge are combined, the total average residential property charge is estimated between **$3000 and $3700**.

Please be aware that variations may occur dependent upon the final tender price for the works and the financial model adopted.

Commercial and Non-rateable Properties

Charges for commercial properties will be individually assessed with costs based on a range of factors including the electrical load to service the property. These charges will generally be higher than the residential charge due to the additional electrical load required to service the property. An electrical consultant will be engaged to determine the basis of measurement.

Transmission Lines

Western Power has two overhead high voltage transmission lines in the proposed project area which affect a small number of properties. These lines are not included in the underground power project due to the high cost of placing these services underground. However, all other distribution high and low voltage poles, lines and services would be removed from such streets. A discount in the network charge will be applicable to properties with front boundaries directly facing these services. The locations of the existing transmission lines are marked in red on the project area map on the back page.

Transmission Lines

Flexible Payment Options

A range of payment options varying from a full upfront payment to various time payment arrangements are proposed. Please indicate your preferred payment method and timeframe on the enclosed survey form.

Pensioners

The Town of Vincent is committed to offering a fair and equitable system for distributing the costs of underground power. Therefore pensioners will be given the option of deferring full payment until their property is either sold or transferred. The final payment will include interest.

Levy of Charges

The Town of Vincent will act as a facilitator for this project and will be responsible for collecting the funding contributions from individual property owners. To enable the Town to meet Western Power's progress payments throughout the duration of the project, it will be necessary for the Town to issue accounts at the commencement of the project. Upon completion (when final costs are known), any cost savings will be used to upgrade the existing infrastructure of the area.

Subject to property owners' support for participation in this project, the charging model will be finalised and confirmed by Council. Actual charging details for individual properties are not available at this time. Once adopted by Council, the model will determine the amount to be paid for individual properties.

Highgate East Project Area

The project area covers a portion of Highgate, Mount Lawley, East Perth and Perth, as illustrated on the map on the back page and contains approximately 840 lots. The boundaries of the project may be subject to minor changes depending on Western Power's final electrical network design for the area. The project will also include small areas of City of Stirling at Walcott Street and City of Bayswater at Stanley and Mitchell Streets. These areas will form part of the Highgate East Project, but will be wholly funded by the residents of these councils.

Existing Underground Power

Owners of properties located within the proposed underground power area where the immediate electrical network is already laid underground, will be required to pay a nominal charge as the surrounding overhead power network which supplies the existing underground power area, will be upgraded as part of the program.

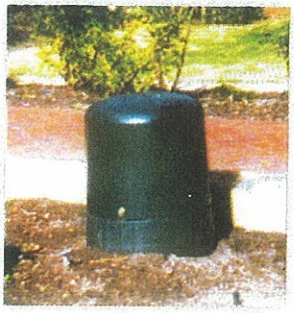
What Works are Involved?

Most underground cables associated with the project will be installed by below-ground boring methods, which will reduce the amount of disruption on street verges and inside the front gardens of properties. At some locations, open trenching may be required due to local site conditions.

Underground Cable Drill Rig

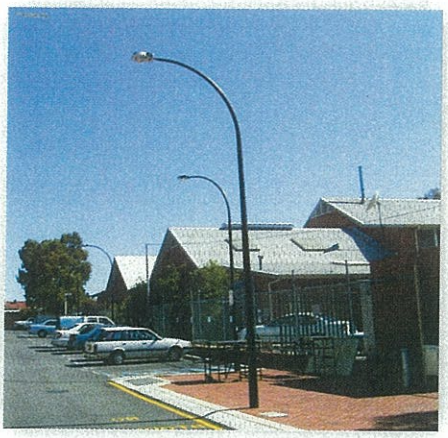
House Service Connections

Existing overhead connections to buildings will be replaced with an underground service between the meter board and the service connection pillar located at the front property boundary. Existing overhead single phase connections will be replaced with an underground single phase service connection. Existing overhead three phase connections will be replaced with an underground three phase service connection.



Property Service Connection Pillar

An opportunity may arise for interested owners to have existing single phase overhead connections upgraded to three phase as part of the project. Owners wishing to upgrade would need to liaise directly with Western Power and their contractors prior to the installation of the underground service connection. All additional costs associated with the upgrade would need to be paid by the owner directly to Western Power and its contractors and would be extra to the underground power charges levied by the Town of Vincent.



Typical Street Light Poles

Transformers and Switch Gear

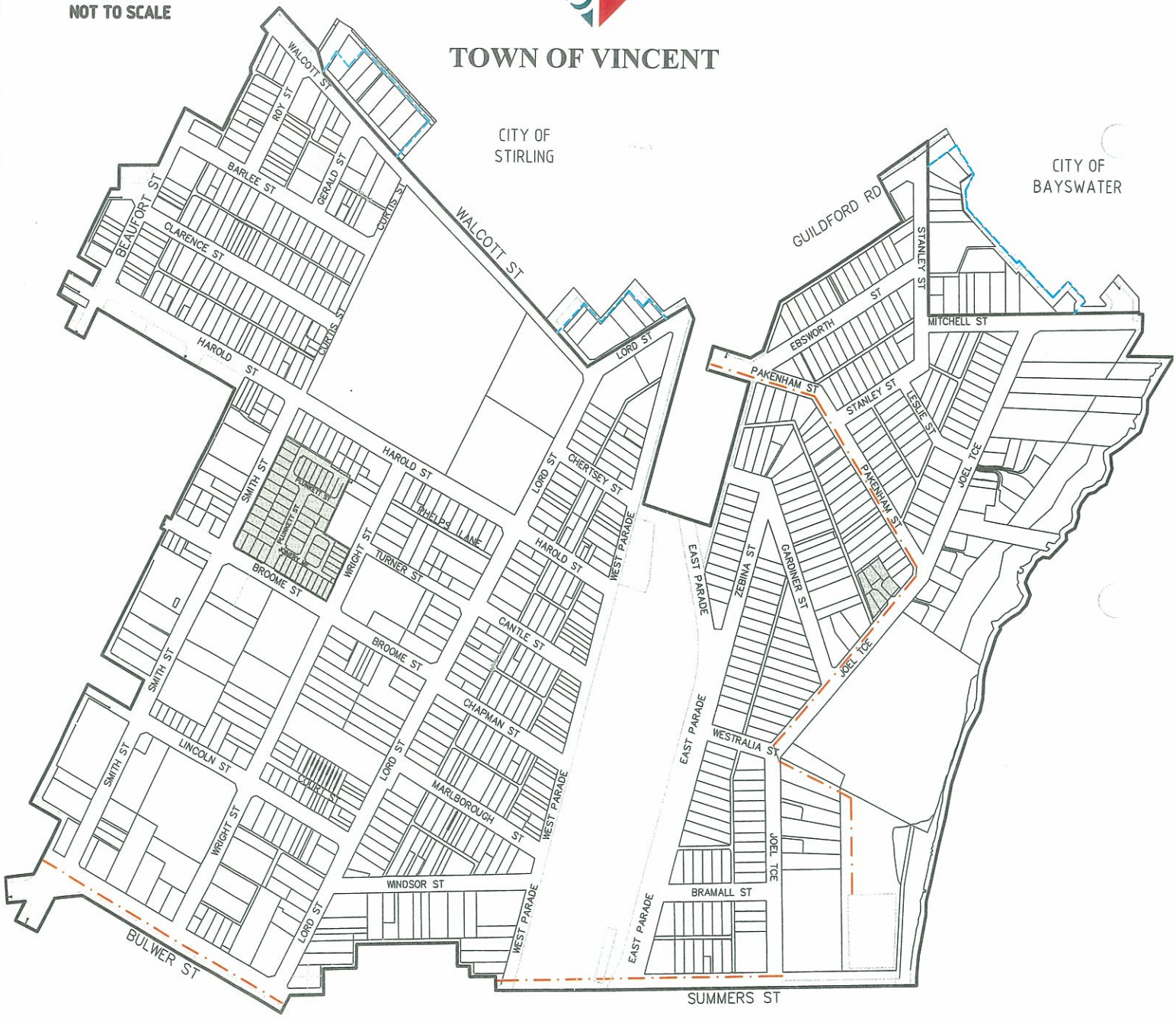
On-ground transformers and switch gear units will be used to replace overhead pole-mounted transformers and switch gear. Details concerning proposed transformers and switch gear sites were advertised in early November 2005 and all affected property owners have been notified. Where possible, the units have been located on public reserves though it has been necessary to install some units on street verges. Locations were carefully selected to minimise inconvenience to property owners.

Transformer

STATE UNDERGROUND POWER PROGRAM
ROUND THREE PROJECT AREA
HIGHGATE / PERTH / EAST PERTH / MT LAWLEY
(APPROXIMATELY 840 LOTS)

NOT TO SCALE

TOWN OF VINCENT



Existing Internal Underground Services

Western Power Transmission Line

Town of Vincent Boundary

Underground Power Boundary

OUR CUSTOMER SERVICE TELEPHONE NUMBER IS 9273 6000