

# Changes to Public Lighting Minor Capital Works Fees and Charges

## Fact Sheet



November 2020

As of 1 July 2020, Ausgrid has implemented Engineering Service charges on the Public Lighting Minor Capital Works.

The Engineering Service charges are in accordance with *Ausgrid's Public Lighting Management Plan - Issue 9* published April 2020 - and will apply to all projects that are categorised as Minor Capital works.

View the Plan here <https://www.ausgrid.com.au/-/media/Documents/Regulation/Reports-plans/public-lighting>

### **What is the new Minor Capital Works fees and charges structure?**

- The capital recovery component of Council's street lighting bills covers the cost of material and labour for installation of luminaire. This component does not recover the design and project administration costs associated with the Minor Capital Works (MCW).
- In March 2020, Ausgrid communicated our intention for charging the true cost of MCW service through our draft Public Lighting Asset Management Plan. This document was consulted with the councils.
- As of 1 July 2020, Ausgrid reviews project applications and provides Council with a quote that is prepared based on the scope and the Ancillary Network Service (ANS) charges. Council has the option to accept the quoted fee for delivery of service by Ausgrid or pursue the path of contestability to deliver the project at a negotiated market fee.

### **What do the new fees and charges relate to?**

The charges recover the cost of service associated with the administration, design (i.e. safety and environmental reports), project management, and commissioning of assets.

### **What are the Minor Capital Works Design Services?**

As detailed in the *Ausgrid's Public Lighting Management Plan* there are generally two design services associated with Minor Capital Works projects:

#### **1. Engineering Service**

- The Engineering Service includes labour costs associated with end to end processing of Public Lighting Minor Capital Works. The Engineering Service is mandatory for all projects, which consists of an Electrical Connection Design.

#### **2. Illumination Design Service**

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- Illumination Design is mandatory for projects that involve the lighting of pedestrian crossings or roundabouts. For all other Public Lighting projects, you may elect that compliance with AS/NZS1158 is not required.
- For projects where it is mandatory or you elect to comply with AS/NZS1158, you may request Ausgrid carry out an Illumination Design or supply a design produced by a third-party illumination designer.
- If requested to supply an Illumination Design; Ausgrid assesses the complexity of the design and advises you of its availability of suitably qualified resources to produce the design. Please refer to Ausgrid's Public Lighting Management Plan for further detail.

### What Public Lighting Minor works services does Ausgrid offer Councils?

As per Ausgrid's Public Lighting Management Plan, Ausgrid offers the following services when directly asked by a Council in our distribution network:

- Replacement of up to 10 existing luminaires on our existing poles/columns.
- New installations of up to 10 brackets and luminaires on existing distribution poles with available Low Voltage overhead supply.

Ausgrid also considers requests for the provision of up to two new dedicated timber poles, with an overhead connection, to help Councils in meeting compliance with standard light levels. This is subject to connection to an LV network can be achieved by installing no more than one span of overhead low voltage mains per pole.

### How are the charges calculated?

- Appendix C of Ausgrid Public Lighting Management Plan, details how different Public Lighting Requests will be processed (e.g. Minor Capital Works, Contestable, SFC) and the existing rates and resulting rates.
- Ausgrid uses a calculator for the cost estimation of MCW projects associated with
  - Replacement of existing assets
  - Installation of new assets
- The introduction of the service charges is designed to recover labour costs associated with the end to end processing of Minor Capital Works projects.
- Charges are not fixed but are calculated based on complexity of the project. This is considered in relation to the tasks involved and their quantities.

Ausgrid Engineering Services and Illumination Design Services are charged at the Australian Energy Regulators, Ancillary Network Service (ANS) charges FY21 Rates, shown in [table 1.1 Ausgrid Alternative control services fee schedule](#)

- It should be noted that the costs associated with materials and construction (EWP and field labour) are recovered through monthly Alternative Control Service (ACS) rates regulated by the Australian Energy Regulator (AER), and are not included in the Engineering Service quotes.
- No upfront fees are charged on applications for Public Lighting Minor Capital Works submitted directly by Councils. If online application is submitted by a third party on behalf of public lighting customer administration fee will be applied. On receipt of applications for Minor Capital Projects, Ausgrid calculates charges based on request and forward a quote to you in the form of a Short Form Contract (SFC). We commence delivery of project after you approve the SFC.
- Otherwise, Council has the option to enter into a contestable project. Alternative services could be provided by Accredited Service Providers (ASPs), at a negotiated fee.

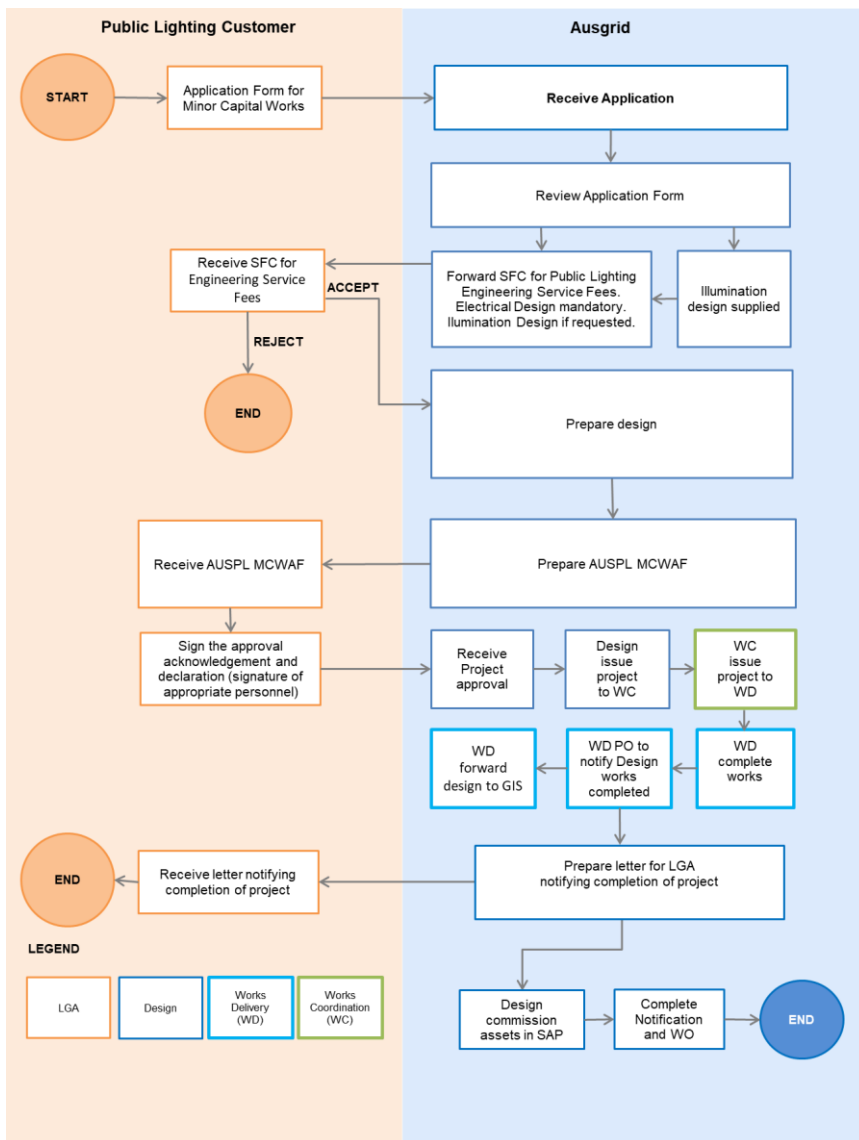
### Glare shield replacement

- Installation of glare shield is not factored in the monthly capital and operational charges, hence the adhoc installation of glare shields are offered as a quoted service, calculated based on the cost of material, labour, EWP, traffic control etc.
- *NB – the cost of glare shield installation is calculated based on the complexity of the job, cost of material, labour, traffic control, EWP, etc. We are investigating options that could reduce our costs associated with the installation of glare shields, which in return will be passed on to the councils.*

### The capital costs of the lights and brackets (including installation costs) are approved by the AER. What is the basis of the new additional charges which Council assumes relate to Ausgrid engineering staff time?

- AER approved public lighting charges the recovery of a range of capital investment and maintenance activities carried out by Ausgrid over the regulatory period. This however doesn't recover the expenses associated with the delivery of minor capital works. Ausgrid has the right to recover the cost associated with the excluded services through Ancillary Service Charges approved by AER.

### Minor capital works process is shown below



### **Minor capital works – How is the cost estimator (calculator) applied?**

- The calculator has been developed to allow Design staff to estimate the end to end costs associated with offering the Public Lighting Services required under the NSW Public Lighting Code 2018 (The Code).
- Except for the cost of materials (luminaire, bracket and pole) as well as construction cost (EWP and field labour) which are recovered through monthly ACS lighting charges, there are other activities carried out by different groups in completion of Minor Capital Works projects which must be charged to the Council upfront. The calculator helps in capturing these costs and quoting/invoicing to the applicant Council.

### **Who uses the calculator?**

Ausgrid's Design Portfolio staff use the calculator when processing Public Lighting Minor Capital Works requests.

### **How does the calculator function?**

This calculator considers labour hours of all the following groups engaged during a typical Minor Capital Works project:

- Design Portfolio – Design activities
- Contestability – Application processing
- Works Coordination – Scheduling
- Works Delivery – Project Management
- GIS – Commissioning of Assets

All groups other than the Design Portfolio have approximately a fixed level of engagement in MCW projects, hence they have nominated a fixed duration in base hours.

The base hours for Works Delivery is increased if a new pole is required as part of a project. Base hours where no pole is required is set at 5 hrs, but if pole/poles are required the base hour increases to 15 hrs.

### **Design hours – charges and calculations**

Design hours depend on the complexity of project. This is considered in the calculator by selecting the tasks involved and their quantities. The five common tasks involved in Public Lighting Minor Capital Works requests are available for selection. Any project scope that does not meet the eligibility criteria for Minor Capital Works must be directed to Contestability team.

The Design services associated with Minor Capital Works projects are:

- Electrical Connection Design Service – This is mandatory for all projects.
- Illumination Design Service – This is optional for most cases (except for Pedestrian Crossings and Roundabouts). The Council can decide whether Illumination Design is required or not. The Council can request to use Ausgrid's Illumination Design Service or alternatively supply design produced by a third party.

The Ausgrid Designer should select relevant tasks and quantities using the project scope provided by a Council to calculate applicable amount.

### **More information**

Contact [councils@ausgrid.com.au](mailto:councils@ausgrid.com.au) if you have any further questions.