

Final Decision

Ausgrid Electricity Distribution Determination 2024 to 2029 (1 July 2024 to 30 June 2029)

Attachment 16 Alternative control services

April 2024

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List of attachments

This attachment forms part of the AER's final decision on the distribution determination that will apply to Ausgrid for the 2024–29 period. It should be read with all other parts of the final decision.

As a number of issues were settled at the draft decision stage or required only minor updates, we have not prepared all attachments. The final decision attachments have been numbered consistently with the equivalent attachments to our draft decision. In these circumstances, our draft decision reasons form part of this final decision.

The final decision includes the following documents:

Overview

Attachment 1 – Annual revenue requirement

Attachment 2 – Regulatory asset base

Attachment 4 – Regulatory depreciation

Attachment 5 – Capital expenditure

Attachment 6 – Operating expenditure

Attachment 7 – Corporate income tax

Attachment 12 – Customer service incentive scheme

Attachment 13 – Classification of services

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16 Alternative control services

This attachment sets out our final decision on prices Ausgrid is allowed to charge customers for the provision of the following alternative control services: ancillary network services and public lighting. We also make a final decision on metering, which we classify as an alternative control service, in Attachment 20.

Alternative control services are customer specific, or customer requested services and so the full cost of the service is attributed to a particular customer, or group of customers, benefiting from the service.

We set service specific prices to provide a reasonable opportunity to the distributor to recover the efficient cost of each service from customers using that service. This is in contrast to standard control services where costs are spread across the general network customer base.

16.1 Ancillary network services

Ancillary network services are non-routine services provided to individual customers as requested. Our F&A paper outlines several types of services that meet this broad definition.¹

Ancillary network services are charged to customers on a user-pays approach which are charged on either a fee or quotation basis, depending on the nature of the service.

We determine price caps for fee-based services for the 2024–29 period as part of our determination, based on the cost inputs and the average time taken to perform each service. These services tend to be homogenous in nature and scope and can be costed in advance of supply with reasonable certainty, such as disconnections and special meter reads.

By comparison, prices for quoted services are based on the quantities of labour and materials required, with the quantities dependent on a particular task. Prices for quoted services are determined at the time of a customer's enquiry and reflect the individual requirements of the customer's service request.

For this reason, it is not possible to list prices for quoted services in our decision. However, our final decision sets the maximum labour rates to be applied to quoted services.

16.1.1 Final decision

16.1.1.1 Fee-based and quoted services

Our final decision does not accept Ausgrid's revised proposal as submitted. Based on our analysis and updated inputs, our final decision is to:

¹ See AER, *Final framework and approach for Ausgrid, Endeavour Energy and Essential Energy for the 2024-29 regulatory control period*, July 2022, pp. 5–6. Our F&A paper outlines several types of services that can be considered as meeting this broad definition such as network ancillary services, basic connection services and non-routine metering services.

- not accept Ausgrid’s revised proposal to adopt our draft decision benchmark labour rates for the following labour categories, as we already accepted Ausgrid’s initial proposal rates for these categories in our draft decision:
 - Engineer R3
 - Senior engineer R5
 - Engineering manager R6
- not accept Ausgrid’s proposed service offering for simple disconnection and reconnection services. We will decouple Ausgrid’s simple disconnection and reconnection services into separate fees based on further information. However we will accept Ausgrid’s proposal to amend the descriptions for the following fee-based services.
 - Disconnection completed – Includes reconnections.
 - Disconnection completed Technical/advanced – Includes reconnection.
- substitute Ausgrid’s proposed year one (2024–25) prices for fee-based services with our final decision price caps for 2024–25 (see section 16.1.4.1 and appendix A).
- substitute Ausgrid’s proposed X factors with our final decision labour price growth forecasts.

16.1.1.2 X factors for ancillary network services

As ancillary network services have a high share of labour and labour-related inputs, we use labour price growth forecasts as the ancillary network services X factor. Consistent with our previous decisions, we derived the X factor by averaging wage price index growth forecasts from KPMG (provided by the AER) and BIS Oxford Economics (provided by the distributor).² We have updated the labour price growth forecasts for our final decision to include the most recent forecasts. Our final decision X factors for ancillary network services are set out in Table A.1 in appendix A of this attachment.

16.1.1.3 Form of control for ancillary network services

Our final decision is to maintain our final F&A position to apply price caps to ancillary network services as the form of control.

Under a price cap form of control, we set a schedule of price caps for fee-based services and maximum labour rates for quoted services for the first year of the period, 2024–25. For all subsequent years of the 2024–29 period, prices will be adjusted by the applicable control mechanism formula set out in Attachment 14 – Control mechanisms. This mechanism adjusts price caps and maximum labour rates annually for inflation, an X factor³, and any relevant adjustments.

² For more detail on the reasons for this decision, see the discussion in section 6.4.2 of Attachment 6 – Operating expenditure.

³ Under the CPI–X framework, the X factor measures the real rate of change in prices from one year to the next. For ancillary network services, the X factor is the wage price growth given that labour is the primary cost input for providing these services.

16.1.2 Ausgrid’s revised proposal

Ausgrid accepted most of our draft decision on the labour rates for quoted services and prices for fee-based services. However, Ausgrid proposed to adopt our maximum benchmark labour rates to all of its six labour categories, including the three labour rates we had accepted in our draft decision.⁴

Ausgrid also proposed minor amendments to the descriptions for the following fee-based services:⁵

- “Disconnection completed – Includes reconnections”: Ausgrid proposed removing the “rotate plug in meter” as one of the disconnection methods. Ausgrid stated this is to allow non-qualified electrical technicians to provide the service following changes to the technical requirements.
- “Disconnection completed Technical/advanced – Includes reconnection”: Ausgrid proposed to amend the service description to provide greater flexibility for qualified technicians to select the most appropriate disconnection method.

Appendix A contains Ausgrid’s proposed labour rates for business hours and after hours and prices for fee-based services.⁶

16.1.3 Assessment approach

The regulatory framework for assessing alternative control services is less prescriptive than for standard control services. That is, there is no requirement to apply the building block model exactly as prescribed in Part C of the National Electricity Rules (NER).

On this basis, our approach involves an assessment of the efficient costs of providing ancillary network services. Labour costs are the major input in the cost build-up of prices for ancillary network services. Therefore, our assessment focuses on comparing Ausgrid’s proposed labour rates against maximum total labour rates, which we consider efficient.

Where Ausgrid’s proposed labour rates exceed our maximum efficient labour rates, we apply our maximum efficient labour rates to determine prices. We follow this assessment process for services provided on a fee or quotation basis.

We also considered relevant stakeholder feedback raised throughout the consultation process and benchmarked Ausgrid’s proposed ancillary network services prices against its prices for the 2019–24 period and the prices of other distributors. We will also make further adjustments to Ausgrid’s ancillary network services prices where we consider it appropriate to do so.

⁴ Ausgrid, *2024-29 Revised Regulatory Proposal - 30 Nov 2023 – Public*, p.57.

⁵ Ausgrid, *2024-29 Revised Regulatory Proposal - 30 Nov 2023 – Public*, p.57.

⁶ The labour rates in Table A.3 are specifically for quoted services, though they are consistent with the labour rates for fee-based services. The difference is that “base” labour rates and on-costs are the explicit labour input for fee-based services, with overheads being calculated at a later stage based on total direct costs (labour, materials and so on).

16.1.4 Reasons for final decision

16.1.4.1 Ausgrid’s proposed labour rates approach

We do not accept Ausgrid’s proposal to adopt our maximum benchmark rates to its Engineer, Senior engineer and Engineer manager as we already accepted the labour rates in our draft decision.

In our draft decision, we accepted Ausgrid’s proposed labour rates for their Engineer, Senior engineer and Engineering manager categories were efficient as they were below our maximum benchmark rates. However, we did not accept Ausgrid’s proposed labour rates for its Administration officer, Field worker and Technical specialist labour categories as they were above our maximum benchmark rates. Therefore, we adjusted down these categories down to our maximum benchmark rates.

Ausgrid accepted our draft decision to substitute the labour rates for the Administration officer, Technical specialist and Field worker labour categories but proposed increasing the labour rates for Engineer, Senior engineer and Engineering manager to our maximum benchmark rates.⁷ As a result, we observe a nominal price increase between 2% to 7% on relevant fee-based services.

Ausgrid stated that if our benchmark labour rates are considered appropriate for Administration officer, Technical specialist and Field worker categories, then they should be appropriate for the Engineer, Senior engineer and Engineering manager categories.⁸

Ausgrid stated that differences between the initial proposal and draft decision prices were due to our revised methodology and use of newer inputs to calculate our benchmark rate. Ausgrid’s labour rates in its initial proposal were derived through an attempt to replicate our benchmark method. Therefore, they considered it appropriate that the maximum benchmark rates are applied to all labour categories including for the services that were below our maximum benchmark rates and which we accepted in our draft decisions.⁹

We do not agree with Ausgrid’s view that our benchmark rates be used deterministically to set labour rates. Rather, the intention of the benchmark rates is to assess whether the proposed labour rates are within the upper bound of reasonable benchmark rates, regardless of the approach the distributor has used to derive them. For Ausgrid, we accepted the proposed labour rates that were below our maximum benchmark rates as we considered they are reasonable cost inputs for the 2024–29 period. For the proposed rates above the maximum benchmark, they were adjusted down to the benchmark rate as anything above reflects more than what we consider the upper bound of reasonable costs.

Where the AER accepts a distributor’s initial proposal, it is not the intention of the regulatory framework for a distributor to come back in its revised proposal with rates that reflect an assessment tool (rather than rates that reflect its best estimates of its own costs). As noted in clause 6.10.3(b) of the National Electricity Rules:

⁷ Ausgrid, *2024-29 Revised Regulatory Proposal - 30 Nov 2023 – Public*, p.57.

⁸ Ausgrid, *2024-29 Revised Regulatory Proposal - 30 Nov 2023 – Public*, p.57.

⁹ Ausgrid, *Att. 9.1 - Alternative Control Services - 30 Nov 2023 – Public*, pp.10-11.

- a) A DNSP may only make revisions in a revised regulatory proposal... to incorporate the substance of any changes required to address matters raised by the draft decision or the AER reasons for it.

Therefore, we consider it outside the requirements in the NER for Ausgrid to propose higher labour rates to the maximum benchmark rates in its revised proposal, just because the labour rates we accepted in our draft decision were lower than the benchmark.

Ausgrid rightfully noted that in determining the maximum benchmark rates for some labour categories we used different base level rates than in the past due to the unavailability of more recent rates. We were transparent about this approach in our engagement with the distributors prior to making our draft decision. However, our method and data source (Hays Salary Guide) is the same (applied consistently since 2014) and we consider our approach of escalating the base rates is robust and can be relied on.

We note the 2023–24 Hays Salary Guide did not publish data for several labour categories. As such, our base rates used those in the 2022–23 publication.¹⁰ We converted the 2022–23 rates into real \$2023–24 using labour escalators consistent with our decision on operating expenditure for standard control services. Our analysis indicates the application of these labour escalators track actual labour cost movements quite well on average. Therefore, we consider our maximum benchmark rates are robust and can be relied on for assessing the reasonableness of proposed labour rates.

For our final decision, we do not accept Ausgrid's labour rate for its Engineer, Senior engineer and Engineering manager and substitute in the approved labour rate in our draft decision. We adjust these draft decision rates for our final decision on inflation and apply labour escalators to set prices in \$2024–25.

Appendix A contains Ausgrid's proposed labour rates for business hours and after hours.¹¹

16.1.4.2 Ausgrid's proposed changes to fee based services

We accept Ausgrid's proposed amendments to the descriptions for the following fee-based services:

- "Disconnection completed Technical/advanced – Includes reconnection": Ausgrid proposed to delete a clause that restricts this service from using the disconnection methods listed under the "Disconnection completed – Includes reconnections" service. This would provide greater flexibility for qualified technicians to select the most appropriate disconnection method. Ausgrid provided an example where some larger sites where Current Transformer (CT) metering is used and isolation at the main switch

¹⁰ The 2023–24 Hays Salary Guide included rates for the Administration and Engineer categories. Unlike previous years, the 2023–24 Hays Salary Guide did not include rates for Technical specialists, Field worker and Engineering manager.

¹¹ The labour rates in Table A.3 are specifically for quoted services, though they are consistent with the labour rates for fee-based services. The difference is that "base" labour rates and on-costs are the explicit labour input for fee-based services, with overheads being calculated at a later stage based on total direct costs (labour, materials and so on).

is the only practical option to disconnect the premises. However, Ausgrid would not be able to select this disconnection method under the current service description.

- "Disconnection completed – Includes reconnections": Ausgrid removed the "rotate plug in meter" as one of the disconnection methods. Ausgrid stated this is to allow non-qualified electrical technicians to provide the service following changes to the technical requirements. This service is currently performed by qualified technician and therefore the service is classified as a technical disconnection. Removing the "rotate plug in meter" from its description will remove this limitation and allow non-electrical qualified technicians to complete the service.¹²

We consider these amendments reasonable as it allows Ausgrid greater flexibility to perform its disconnection and reconnection services.

However, we will also decouple these services into separate disconnection and reconnection services. We discuss this further in 16.1.4.3.

16.1.4.3 Disconnection/reconnection fees

Our final decision is to separate, or decouple, Ausgrid's current "Disconnection completed – Includes reconnection" service into the following:

- 50% of the original fee to the Disconnection service
- 50% of the original fee to the Reconnection service

We consider, decoupling this service provides more equitable outcomes to customers as well as unwinding, at least in part, the cross subsidy of the costs in providing this service.

In our draft decision, we considered Ausgrid combined disconnection and reconnection fee was reasonable.¹³ Origin Energy's submission raised concerns that combining the fees leads to inequitable outcomes. It provided an example where if the disconnected service is not ultimately reconnected, the disconnecting party incurs an additional cost it is unable to recoup.¹⁴ However, we agreed with Ausgrid's position that the retailer requesting the disconnection and reconnection receives the benefit on balance, and therefore should incur the cost of both disconnection and reconnection.¹⁵

In response to our draft decision, AGL submitted that while the retailer receives the benefits from the service, under the current arrangement it faces complexities on how to bill the disconnecting and reconnecting customers.¹⁶ AGL stated there is no reason for retailers to incur both disconnection and reconnection costs if the move in customer chooses a different retailer. AGL also stated that it is unfair that the disconnection customer pays for both the disconnection and reconnection costs, especially if the customer moves out of Ausgrid's

¹² Ausgrid, *Att. 9.1 - Alternative Control Services - 30 Nov 2023 – Public*, p.11-12.

¹³ AER, *Attachment 16 Alternative Control Services – Ausgrid distribution determination 2024-29 Draft Decision*, p.11.

¹⁴ Origin Energy, *Submission - 2024-29 Electricity Determination - NSW and ACT, May 2023*, p. 10.

¹⁵ AER, *Attachment 16 Alternative Control Services – Ausgrid distribution determination 2024-29 Draft Decision*, p.11.

¹⁶ AGL, *Submission – AGL response to revised proposal*, January 2024, p.1.

network.¹⁷ Having separate move in and move out costs will assist the retailer in managing these costs in a transparent and consistent manner.

AGL also stated that while smart meters will lead to increasing numbers of remote disconnections, they consider that a significant number of legacy meters will remain in the distribution zone in the 2024–29 period. Therefore, the option to physically disconnect remains an important option for retailers.¹⁸

In response to AGL’s concerns, Ausgrid did not support the separation of disconnection and reconnection fees. For cases of non-payment, Ausgrid considers the customer being disconnected is usually the same customer that gets reconnected.¹⁹

In the cases of move-in/move-out, Ausgrid stated retailers have alternative options for retailers to select from:²⁰

- Remote disconnection – When a move-out customer has a smart meter, the retailer can request a remote disconnection through their appointed metering co-ordinator after the final meter read. This can prevent further electricity consumption from occurring, thus limiting the financial liability of the current retailer.
- Move-in/move-out meter read – This service allows a retailer to obtain a final read for a customer moving premises, which then enables final billing to occur. The power remains connected, which benefits rental properties. However, this service does not mitigate the financial liability of the current retailer as the power will remain connected.
- Physical Disconnection - A physical disconnection allows a final read to be obtained for billing purposes and prevents further consumption occurring, thus limiting the financial liability of the current retailer.

Further, Ausgrid does not consider it appropriate to evenly split (50/50) the fee for disconnection and reconnection services. Ausgrid stated that disconnection services take longer as the retailer needs to consult with the disconnecting customer.²¹ Ausgrid may also need to wait for the customer to contact the retailer to cancel the disconnection. Ausgrid stated the reconnection service generally takes less time as the new customer normally initiates reconnection of the premises. Ausgrid estimated that 75% of time taken will be required for disconnection service and the balance will be required for reconnection.²²

¹⁷ AGL, *Submission – AGL response to revised proposal*, January 2024, p.1.

¹⁸ AGL, *Submission – AGL response to revised proposal*, January 2024, p.1.

¹⁹ Ausgrid, *IR075 – Decoupling disconnection/reconnection services 20240229 - Public*, p. 2. Received 7 March 2024.

²⁰ Ausgrid, *IR075 – Decoupling disconnection/reconnection services 20240229 - Public*, p. 2-3. Received 7 March 2024.

²¹ Ausgrid, *IR075 – Decoupling disconnection/reconnection services 20240229 - Public*, p. 2. Received 7 March 2024.

²² Ausgrid, *IR075 – Decoupling disconnection/reconnection services 20240229 - Public*, p. 3. Received 7 March 2024.

Ausgrid also stated that they are not billed separately for disconnection and reconnection services under their current contractual agreement with their service provider and hence cannot provide a cost build-up. A change in the service offering would also result in contract changes with its service provide to ensure cost recovery.²³

Ausgrid also stated that pole top and technical disconnections/reconnections should not be separated as the move-in customer will incur significantly higher costs for these types of reconnections.²⁴

We agree with AGL’s concerns that the disconnecting customers should not bear the whole costs for both disconnections and reconnections. A more equitable approach is for both disconnecting and reconnecting customers pay for their respective services. We also acknowledge AGL’s concerns that retailers are exposed to unnecessary billing complexity, which ultimately affects end consumers due to the lack of cost transparency. Under Ausgrid’s current fee structure, there is a chance that customers may pay for services they may not receive or not pay for a service they do receive.

Although Ausgrid stated a 50/50 split on its disconnection and reconnection fee does not reflect costs, our comparison against other distributors shows that Essential Energy and Endeavour Energy both offer similar prices for their disconnection and reconnection services. We consider on balance a 50/50 split of the fee is simple and therefore easy for customers to understand, as well as unwinds, at least in part, the cross subsidy of the costs in providing this service.

We accept Ausgrid’s reasons to not decouple its pole top and technical disconnection/reconnections due to the technical nature and complexity in disconnecting the service.

16.2 Public lighting services

Public lighting services include the provision, construction and maintenance of public lighting assets.²⁵ This definition includes new technologies, such as energy-efficient light emitting diode (LED) luminaires, and emerging public lighting technologies such as smart-enabled luminaires.²⁶

The main customers of public lighting services are local government councils and jurisdictional main roads departments.

There are a number of different tariff classes and prices for public lighting services. Factors influencing prices for a particular installation include which party is responsible for capital provision, and which party is responsible for maintaining and/or replacing installations.

²³ Ausgrid, *IR075 – Decoupling disconnection/reconnection services 20240229 - Public*, p. 3. Received 7 March 2024.

²⁴ Ausgrid, *IR075 – Decoupling disconnection/reconnection services 20240229 - Public*, p. 2. Received 7 March 2024.

²⁵ AER, *Final framework and approach for Ausgrid, Endeavour Energy and Essential Energy for the 2024-29 regulatory control period*, July 2022, July 2022, p. 34.

²⁶ AER, *Final framework and approach for Ausgrid, Endeavour Energy and Essential Energy for the 2024-29 regulatory control period*, July 2022, pp. 34–35.

In NSW, the date of installation also influences public lighting prices. Public lighting prices comprise of capital and operating expenditure (opex) prices for assets installed either pre or post 2009.

16.2.1 Final decision

Our final decision is to not accept Ausgrid's public lighting proposal as submitted. We have made some minor modelling changes to smooth prices and reflect updated final decision inputs, such as labour escalators, inflation figures, and weighted average cost of capital (WACC), consistent with standard control services.

Our final decision for post 2009 public lighting prices for 2024–25 are set out in appendix B. These prices are on average 0.55% lower than Ausgrid's prices in its revised proposal.

For all subsequent years of the 2024–29 period, prices will be adjusted by the control mechanism formula set out in Attachment 14. Our final decision sets the X factor²⁷ at zero to be applied in the formula.

For pre 2009 public lighting services, our final decision charges²⁸ are on average 0.90% lower than Ausgrid's prices in its revised proposal.

16.2.2 Ausgrid revised proposal

Ausgrid's revised proposal substantially accepted our draft decision on public lighting.²⁹

Ausgrid's revised proposal charges for pre 2009 public lighting services increased by 3% compared to the draft decision. This is due to updates to CPI, and an adjustment to pre 2009 residual values paid in 2022–23 as a result of asset replacement/removal.³⁰

For post 2009 assets, Ausgrid's revised proposal included several amendments, including:³¹

- Updated labour rate for field worker for revised real labour escalation (increasing the labour rate by 0.5% compared to the draft decision).
- Updated CPI in the draft decision pricing model for the 2025–26 to 2028–29 regulatory years to be consistent with the draft decision.
- Lower proposed prices for smart controller maintenance and capex to reflect contract prices for smart controllers and refined estimates for maintenance.

Ausgrid also noted that our draft decision listed prices and descriptions from the "Detailed_Price List" worksheet of Ausgrid's public lighting model. Consistent with its initial proposal, Ausgrid's revised proposal adopts the prices and descriptions from the "Weighted

²⁷ The prices are determined by a price cap control mechanism that adjusts prices for inflation, an X factor and any relevant adjustments.

²⁸ AER, *Final decision – Ausgrid 2024-29 – Public lighting – pre-2009 fixed charge model – April 2024 – Confidential*.

²⁹ Ausgrid, *Revised proposal - 2024-29 Revised Regulatory Proposal*, 30 Nov 2023, p. 57.

³⁰ Ausgrid, *Revised proposal - Att. 9.1 - Alternative Control Services*, 30 Nov 2023, p. 13.

³¹ Ausgrid, *Revised proposal - 2024-29 Revised Regulatory Proposal*, 30 Nov 2023, p. 57; Ausgrid, *Revised proposal - Att. 9.1 - Alternative Control Services - 30 Nov 2023*, pp. 13–14.

average price list” worksheet in its revised public lighting model.³² We discuss this in section 16.2.4.1.

16.2.3 Assessment approach

To determine efficient prices for Ausgrid’s public lighting services we assessed its public lighting model, considered historical data and benchmarked proposed costs against other distributors, and against independent data and information as relevant. Specifically, we assessed proposed labour price growth rates, other input assumptions and stakeholder submissions.

We consulted with Ausgrid and council representatives through information requests and meetings to clarify and potentially resolve outstanding issues.

We updated model parameters where appropriate after taking the factors described above into consideration.

For Ausgrid, we benchmarked its proposed LED capex and opex prices against the LED prices of the other NSW Distributed Network Service Providers (DNSPs).

16.2.4 Reasons for final decision

Our final decision is mostly consistent with our draft decision, which Ausgrid largely accepted in its revised proposal.

Public lighting customers were largely supportive of the suite of public lighting services and prices in Ausgrid’s revised proposal. In particular, the Southern Sydney Regional Organisation of Councils (SSROC) submitted that it continues to support Ausgrid’s public lighting proposal on balance and considers it to be fair and reasonable.³³ The SSROC submitted that councils would welcome price reductions in 2024–25 if the AER accepted Ausgrid’s revised proposal.³⁴

The SSROC also commended Ausgrid for conducting its consultations on its public lighting proposal in a transparent manner. The SSROC submitted that Ausgrid provided it with the opportunity to challenge key assumptions in its modelling, and provided a full explanation of the amendments made to its model between the draft decision and the revised proposal.³⁵

Below, we address certain issues raised in the revised proposal and in submissions. We also describe the updates we made to the revised proposal to arrive at the final decision prices in appendix B.

³² Ausgrid, *Revised proposal - Att. 9.1 - Alternative Control Services*, 30 Nov 2023, p. 14.

³³ SSROC, *Submissions on Ausgrid's revised proposal and draft decision 2024-29 - January 2024*, p. 3.

³⁴ SSROC, *Submissions on Ausgrid's revised proposal and draft decision 2024-29 - January 2024*, p. 4.

³⁵ SSROC, *Submissions on Ausgrid's revised proposal and draft decision 2024-29 - January 2024*, pp. 3–4.

16.2.4.1 Price list and descriptions in the draft decision

In responding to Ausgrid’s revised proposal (see section 16.2.2), we confirm that our final decision prices and descriptions for post 2009 assets in appendix B are consistent with the ‘Weighted average price list’ worksheet of Ausgrid’s public lighting pricing model.³⁶

Our draft decision included a list of public lighting descriptions and prices that would apply to Ausgrid in the 2024–29 period.³⁷ The source for this list was the ‘Detailed price list’ worksheet contained in Ausgrid’s post 2009 public lighting pricing model. We then incorporated the amendments we outlined in our draft decision into this model to determine the draft decision prices.³⁸

Ausgrid clarified that its proposed prices and descriptions for the 2024–29 period are consistent with the ‘Weighted average price list’ worksheet in its public lighting pricing model (as noted in section 16.2.2). Ausgrid submitted that the weighted prices only apply to luminaire maintenance (opex) and brackets (capex). Ausgrid submitted that it consulted councils, who supported weighted prices for these services because it reduces the number of fee categories and that there are no material impacts on any one council. Ausgrid submitted it did not apply weighted prices for capital annuity charges for luminaires, smart controllers or supports, as councils preferred individual pricing for these.³⁹

In comparing the ‘Detailed price list’ and ‘Weighted average price list’ worksheets of the public lighting pricing model, we note:

- 126 out of 233 service descriptions are identical. Of the 107 differences, 31 are relatively minor descriptive changes, while the rest are due to Ausgrid consolidating its price list in response to customer feedback.
- 147 out of 233 price levels are identical. Of the 86 different price levels, the vast majority are due to Ausgrid consolidating its price list.

We acknowledge a proportion of the price and service descriptions in our draft decision were not consistent with Ausgrid’s intended suite of public lighting prices and service descriptions. We have addressed this error by basing our final decision service descriptions and prices on the ‘Weighted average price list’ worksheet in the public lighting pricing model (after incorporating the updates described in section 16.2.4.4).⁴⁰ We note the ‘Weighted average price list’ worksheet contains significant duplication of service descriptions and prices. This enables mapping of services and prices from the 2023–24 regulatory year to the first year of the 2024–29 period, where a significant number of services and prices have been

³⁶ AER, *Final Decision - Ausgrid - 2024-29 Distribution revenue proposal - Public lighting model - April 2024*, ‘Final decision price list’!B5:C170 and ‘Weighted average price list’!B5:C237.

³⁷ AER, *Draft Decision Attachment 16 - Alternative control services - Ausgrid - 2024-29 Distribution revenue proposal*, September 2023, pp. 32–45.

³⁸ AER, *Draft Decision - Ausgrid - 2024-29 Distribution revenue proposal - Public lighting model - September 2023*, ‘Detailed price list’!B4:D237; AER, *Draft Decision Attachment 16 - Alternative control services - Ausgrid - 2024-29 Distribution revenue proposal*, September 2023, pp. 15–23.

³⁹ Ausgrid, *Revised proposal - Att. 9.1 - Alternative Control Services*, 30 Nov 2023, p. 14.

⁴⁰ AER - *Final Decision - Ausgrid - 2024-29 Distribution revenue proposal - Public lighting model - April 2024*, ‘Final decision price list’!B5:C170 and ‘Weighted average price list’!B5:C237.

rationalised.⁴¹ We have therefore included a new sheet ('Final decision prices') in the public lighting model that does not include this duplication.⁴²

We note also that Ausgrid or stakeholders did not raise concerns with the reasons for our draft decision (particularly our amendments to the inputs) given Ausgrid's revised proposal largely accepted our draft decision.⁴³

We notified the SSROC of the errors in our draft decision, who submitted they did not foresee any issues arising from the error. SSROC also submitted that Ausgrid provided them with a confidential copy of its revised proposal model in December 2023 and that this model formed the primary basis of its submission to our draft decision and Ausgrid's revised proposal.⁴⁴

The price impacts from the 'Weighted average price list' worksheet will generally result in lower prices for customers than prices from the 'Detailed price list' worksheet. Under our final decision, customers would see an average price decrease of 9.1% between 2023–24 and 2024–25 in the former, but a smaller average price decrease of 7.7% in the latter.

16.2.4.2 Ausgrid's column prices

Our final decision is to accept Ausgrid's prices for columns in its revised proposal, subject to some minor updates to inputs into the public lighting pricing model (see section 16.2.4.4). This is consistent with our draft decision⁴⁵ which Ausgrid largely accepted.⁴⁶ While these prices are at the upper end, we consider they are within the reasonable range for public lighting columns at this time.

On reviewing the draft decisions for the three NSW distributors, SSROC submitted that it appears that Ausgrid's column pricing is 70–90% higher than the other NSW distributors. Given the price differences, SSROC requested the AER give this matter further consideration.⁴⁷

Our final decision prices for the 2024–25 year for Ausgrid's public lighting columns range from \$373.81 for "Column 2.5–3.5m" to \$427.56 for "Column 10.5m–13.5m" and "Column 14m–15m" (see appendix B). These prices are high compared to Endeavour Energy's prices for columns which range from \$22.67 for "Minor column (<=9)" and \$184.19 for "Column (Steel) - Minor <=9m" to \$282.35 for "Column (Steel) - Major >9m" (see also Table 16.1).⁴⁸

⁴¹ Ausgrid, *IR056 - Clarification regarding public lighting prices - 20231213 – Public*, pp. 1–2.

⁴² AER, *Final Decision - Ausgrid - 2024-29 Distribution revenue proposal - Public lighting model - April 2024*, 'Final decision price list'.

⁴³ Ausgrid, *Revised proposal - 2024-29 Revised Regulatory Proposal*, 30 Nov 2023, p. 57.

⁴⁴ SSROC, Email: *Re: FOR NOTING: Errors in the public lighting price list in our Ausgrid draft decision*, 29 January 2024.

⁴⁵ AER, *Draft Decision Attachment 16 - Alternative control services - Ausgrid - 2024-29 Distribution revenue proposal*, September 2023, p. 32–45.

⁴⁶ Ausgrid, *Revised proposal - 2024-29 Revised Regulatory Proposal*, 30 Nov 2023, p. 57.

⁴⁷ SSROC, *Submissions on Ausgrid's revised proposal and draft decision 2024-29*, January 2024, p. 4.

⁴⁸ AER, *Final Decision Attachment 16 - Alternative control services - Endeavour Energy - 2024-29 Distribution revenue proposal*, April 2024, appendix B.

However, our final decision prices for Ausgrid’s public lighting columns are within the range of our final decision prices for Essential Energy, which range from \$225.48 for “7.5m Steel Column Single Outreach” to \$823.66 for “18m Roundabout Column”.⁴⁹ As such, Ausgrid’s column prices compare favourably when compared with Essential Energy’s column prices particularly for larger columns (see also Table 16.1).

Ausgrid stated its higher prices for columns is largely due to traffic control requirements and their use of footings. We consider this is reasonable given its urban network.⁵⁰

Our final decision prices for Ausgrid’s public lighting columns results in a 4.78% decrease compared to the corresponding prices for 2023–24.

Table 16.1 Final decision prices of columns for the NSW distributors (\$2024–25)

Endeavour Energy		Ausgrid		Essential Energy	
Column type	Price	Column type	Price	Column type	Price
		Column 2.5m-3.5m	\$373.81	7.5m Steel Column Single Outreach	\$225.48
		Column 4-6.5m orion wate	\$384.35	7.5m Steel Column Double Outreach	\$247.30
Minor Column (<=9)	\$22.67	Column 4m-6.5m	\$401.35	9.0m Steel Column Single Outreach	\$250.32
Column (Steel) - Minor <=9m	\$184.19	Column 7m-10m	\$392.78	9.0m Steel Column Double Outreach	\$277.94
Major Column (>=9)	\$102.92			10.5m Steel Column Single Outreach	\$400.32
Column (Steel) - Major >9m	\$282.35			10.5m Steel Column Double Outreach	\$438.38
				12.0m Steel Column Single Outreach	\$418.64
		Column 10.5m-13.5m	\$427.56	12.0m Steel Column Double Outreach	\$473.66
				12m Roundabout Column	\$558.14
		Column 14m-15m	\$427.56	15m Roundabout Column	\$614.32

⁴⁹ AER, *Final Decision Attachment 16 - Alternative control services - Essential Energy - 2024-29 Distribution revenue proposal*, April 2024, appendix B.

⁵⁰ SSROC, *Submissions on Ausgrid's revised proposal and draft decision 2024-29*, January 2024, p. 4.

Endeavour Energy		Ausgrid		Essential Energy	
				18m Roundabout Column	\$823.66

16.2.4.3 Sharing unregulated revenues from dedicated public lighting assets

Our final decision does not require Ausgrid to share with councils unregulated revenues it earns from third parties for the use of dedicated public lighting assets. This is because the current regulatory framework does not require such a sharing arrangement for alternative control services. Further, we do not consider our final decision is the appropriate forum to consider such an arrangement.

SSROC submitted that approximately one quarter of Ausgrid’s public lighting assets are dedicated public lighting assets with the light attached to either a dedicated steel or wooden pole. SSROC submitted that a specific public lighting customer has either gifted these dedicated assets to Ausgrid, or funds these assets through capital tariffs.⁵¹

SSROC submitted that there is potential for third parties to use these dedicated public lighting assets, for example, for EV charging, providing Ausgrid with a source of unregulated revenues. SSROC proposed that councils should receive benefits (such as through lower public lighting charges) given that councils are the ones who fund public lighting assets.⁵²

Clause 6.4.4 of the NER contains the provisions for distributors’ shared assets. It provides that, where an asset is used to provide both standard control services and unregulated services, the AER may reduce the distributor’s annual revenue requirement by an amount that it considers reasonable reflects the revenues received through the unregulated services. In determining this decrement to the annual revenue requirement, the AER must have regard to the shared asset principles and the shared asset guidelines.⁵³

The NER does not have equivalent provisions requiring revenue or price decrements for assets that provide alternative control services (such as dedicated public lighting assets) and unregulated services. Further, there is no process set out in the NER as to how we might go about this task.

Regarding the shared assets framework, Ausgrid submitted that it may appear that councils do not benefit in the same way as customers of standard control services when dedicated public lighting assets generate additional revenue. However, Ausgrid pointed out that there are swings and roundabouts for both customer cohorts under the current framework. For example, around 195,000 of its electricity network poles accommodate council streetlights,

⁵¹ SSROC, *Submissions on Ausgrid’s revised proposal and draft decision 2024-29*, January 2024.

⁵² SSROC, *Submissions on Ausgrid’s revised proposal and draft decision 2024-29*, January 2024, p. 2.

⁵³ NER, cl. 6.4.4(b).

but do not generate shared asset income from those streetlights. Ausgrid stated this income could be shared with customers of standard control services.⁵⁴

Ausgrid also submitted there are currently 160 poles generating additional revenue, which is very low relative to the total number of dedicated streetlights (59,074). This is because dedicated streetlight columns are only designed for streetlights and for small additional equipment to be mounted on them. Therefore, these poles do not have the structural integrity to support installing large and heavy equipment such as ‘Marco Cells’. On this basis, Ausgrid does not expect demand for equipment on these poles to materially increase.⁵⁵

Given this information, it is not clear to us the extent to which unregulated revenues from the use of dedicated public lighting assets should be shared through lower prices for public lighting services.

We also do not consider our final decision is the appropriate forum to resolve this issue. Rather, we consider that this issue should be discussed more broadly so as to develop a regulatory framework for shared public lighting assets. Questions that may wish to be considered as part of this broader discussion include:

- whether a materiality threshold should apply, and if so what would that threshold be?
- how much of the unregulated revenues should be shared with public lighting customers?
- should unregulated revenues be shared across all public lighting customers, or certain classes of assets? Or should these revenues only be shared with those customers whose dedicated public lighting assets are also used for unregulated services?

16.2.4.4 Labour escalator, weighted average cost of capita and CPI

We have amended the following inputs into Ausgrid’s public lighting model. These amendments are consistent with our draft decision on other relevant aspects of Ausgrid’s regulatory proposal.

Labour rates/Labour escalators

We updated the labour rates for field workers in Ausgrid’s public lighting model. This reflects our final decision updates to Ausgrid’s hourly rate for field workers during business hours, which we accepted in our assessment of Ausgrid’s ancillary network services revised proposal (see section 16.1.4.1).⁵⁶

Rate of return

We substituted the WACC inputs in Ausgrid’s public lighting model to be consistent with our final decision on Ausgrid’s rate of return (see attachment 3).

Inflation

⁵⁴ Ausgrid, *information request #072 - Public lighting SSROC - 20240223 - CONFIDENTIAL*, p. 2; Ausgrid, *Email: Re: Ausgrid – information request AGD IR#072 – SSROC submission to revised proposal – 20240213 – PUBLIC*, 18 April 2024.

⁵⁵ Ausgrid, *information request #072 - Public lighting SSROC - 20240223 - CONFIDENTIAL*, p. 2.

⁵⁶ See also AER, *Draft Decision Attachment 16 - Alternative control services - Ausgrid - 2024-29 Distribution revenue proposal*, September 2023, p. 19.

We have substituted the forecast inflation input for the 2024–25 year in Ausgrid’s public lighting model with the actual inflation for December 2023.⁵⁷ This is consistent with our final decision on Ausgrid’s control mechanisms (see attachment 14).

⁵⁷ Australian Bureau of Statistics, TABLES 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes.

A Ancillary network services prices

Table A.1 X factors for each year of the 2024–29 regulatory control period for ancillary network services, final decision (per cent)

	2025–26	2026–27	2027–28	2028–29
X factor	-1.4918%	-0.9117%	-0.8012%	-0.9243%

Note: We do not apply an X factor for 2024–25 because we set 2024–25 ancillary network services prices in this determination. To be clear, the labour escalators in this table are operating as de facto X factors. Therefore, positive labour escalators are represented as negative in this table and vice versa. X factors in this table are rounded to 4 decimal places but distributors should use the raw X factors in the final decision model.

Table A.2 Fee-based ancillary network services for 2024–25, final decision (\$2024–25)

Service	Service category	Revised proposal	Final decision
Metering site establishment	Metering and related ancillary network services	\$68.77	\$68.83
Special meter reading	Metering and related ancillary network services	\$14.47	\$14.43
Type 5-6 meter test simple	Metering and related ancillary network services	\$531.84	\$530.30
Type 5-6 meter test complex	Metering and related ancillary network services	\$819.61	\$817.24
Types 5-7 non-standard Meter data services	Metering and related ancillary network services	\$20.66	\$20.60
Emergency maintenance of failed metering equipment not owned by the network	Metering and related ancillary network services	\$234.25	\$233.58
Off peak conversion	Metering and related ancillary network services	\$196.98	\$196.41
Pillar/Pole top disconnection completed - Includes reconnection	Metering and related ancillary network services	\$344.72	\$343.72
Pillar/Pole top disconnection - Site visit only	Metering and related ancillary network services	\$462.19	\$460.85
Reconnection - additional charge when requested outside normal business hours	Metering and related ancillary network services	\$142.73	\$142.31

Service	Service category	Revised proposal	Final decision
Recovery of debt collection costs - Dishonoured transactions	Metering and related ancillary network services	\$36.45	\$36.35
Attendance at customers' premises to perform a statutory right where access is prevented	Metering and related ancillary network services	\$112.55	\$112.22
Vacant property disconnection completed - Includes reconnection	Metering and related ancillary network services	\$203.30	\$202.71
Vacant property - Site visit only	Metering and related ancillary network services	\$51.89	\$51.74
Disconnection completed	Metering and related ancillary network services	\$207.28	\$103.34
Reconnection completed ⁵⁸	Metering and related ancillary network services		\$103.34
Disconnection - Site visit only	Metering and related ancillary network services	\$62.61	\$62.42
Disconnection completed - Technical/ advanced - Includes reconnection	Metering and related ancillary network services	\$348.58	\$347.57
Correction of metering and market billing	Metering and related ancillary network services	\$59.85	\$59.91
Final read after type 5 meter equipment removed	Metering and related ancillary network services	\$83.27	\$83.08
Type 5 and 6 CT testing	Metering and related ancillary network services	\$1,221.27	\$1,217.74
Type 5 and 6 CT recovery	Metering and related ancillary network services	\$295.48	\$294.62
Metering site alteration	Metering and related ancillary network services	\$35.91	\$35.94
NMI Extinction	Metering and related ancillary network services	\$35.91	\$35.94

⁵⁸ Our final decision is to decouple Ausgrid's current disconnection and reconnection services fee. We have assigned 50% of the current cost to a separate disconnection service and the balance to a separate reconnection service. See section 16.1.4.3.

Service	Service category	Revised proposal	Final decision
Distributor arranged outage for purpose of replacing metering - Not complete	Metering and related ancillary network services	\$178.82	\$178.38
Distributor arranged outage for purpose of replacing metering - Simple complete	Metering and related ancillary network services	\$497.01	\$495.64
Distributor arranged outage for purpose of replacing metering - Not completed -2nd visit	Metering and related ancillary network services	\$320.02	\$319.17
Distributor arranged outage for purpose of replacing metering - Complex complete	Metering and related ancillary network services	\$703.34	\$701.38
Distributor arranged outage for replacing a meter - additional charge when requested outside normal business hours (weekday)	Metering and related ancillary network services	\$98.49	\$98.20
Distributor arranged outage for replacing a meter - additional charge when requested outside normal business hours (weekend)	Metering and related ancillary network services	\$196.98	\$196.41
Administration of contestable works - General	Design	\$1,082.09	\$1,083.13
Administration of pioneer schemes	Design	\$1,737.38	\$1,631.76
Design information - Simple	Design	\$811.30	\$759.56
Design certification - General	Design	\$2,572.22	\$2,408.17
Technical assessment - Applications or relocations	Connection application	\$536.92	\$509.88
Connection Offer - Basic	Connection application	\$20.35	\$20.37
Connection Offer - Standard	Connection application	\$59.85	\$59.91
Site Inspection	Connection application	\$654.36	\$612.63
Commissioning assets - Simple	Network commissioning and decommissioning	\$2,077.18	\$2,038.40

Service	Service category	Revised proposal	Final decision
Commissioning assets - Standard	Network commissioning and decommissioning	\$3,993.08	\$3,892.07
Simple network access permit, clearance to work or notification to work	Access permits, oversight and facilitation	\$1,534.96	\$1,530.01
Network access permit or clearance to work - cancellation - simple	Access permits, oversight and facilitation	\$594.80	\$592.88
Network access permit or clearance to work - cancellation - complex	Access permits, oversight and facilitation	\$1,362.28	\$1,357.89
Development application approvals - Simple	Access permits, oversight and facilitation	\$59.85	\$59.91
Development application approvals - complex	Access permits, oversight and facilitation	\$191.87	\$191.25
Notification of arrangements	Notification of arrangements	\$585.20	\$555.63
Supply of conveyancing information	Network related property services	\$63.41	\$63.62
Level 2 ASP works (NOSW) - A Grade	Inspection services	\$37.60	\$37.60
Level 2 ASP works (NOSW) - B Grade	Inspection services	\$68.30	\$68.20
Level 2 ASP works (NOSW) - C Grade	Inspection services	\$221.80	\$221.21
ASP level 1/2 - Individual authorisation - Initial	Authorisations of ASPs	\$140.17	\$141.59
ASP level 1/2 - Individual authorisation - Maintain	Authorisations of ASPs	\$58.87	\$59.38
ASP level 1 - Company Authorisation - Initial	Authorisations of ASPs	\$1,097.43	\$1,049.09
ASP level 2 - Company Authorisation - Initial	Authorisations of ASPs	\$638.58	\$615.63
ASP level 1/2- Company Authorisation - Maintain	Authorisations of ASPs	\$191.70	\$194.15
ASP Level 3 - Authorisation/Re-authorisation (Bi-annual Fee)	Authorisations of ASPs	\$149.63	\$149.77
Network related access/compliance training - Half day/per student	Training	\$185.38	\$186.30

Service	Service category	Revised proposal	Final decision
Network related access/compliance training - Full day/per student	Training	\$363.29	\$365.12
Small Light -installation	Security lighting	\$520.37	\$518.87
Medium Light - installation	Security lighting	\$520.37	\$518.87
Large Light - installation	Security lighting	\$520.37	\$518.87
Small Light - monthly charge	Security lighting	\$58.66	\$58.97
Medium Light - monthly charge	Security lighting	\$75.59	\$76.00
Large Light - monthly charge	Security lighting	\$148.67	\$149.48

Table A.3 Quoted service hourly labour rates (business hours) for 2024–25, final decision (\$2024–25)

	Revised proposal (business hours)	Final decision (business hours)	Revised proposal (after hours, implicit rate) ⁵⁹	Final decision (after hours)
Administrative officer R1	\$119.70	\$119.81	\$209.48	\$209.67
Technical Specialist R2	\$191.87	\$191.25	\$335.77	\$334.69
Engineer R3	\$266.00	\$249.03	\$465.50	\$435.81
Field worker R4	\$196.98	\$196.41	\$344.72	\$343.72
Senior engineer R5	\$319.20	\$297.35	\$558.60	\$520.36
Engineering manager R6	\$346.23	\$343.98	\$605.90	\$601.96

⁵⁹ Ausgrid did not explicitly propose these overtime rates. Rather, they noted that we set the maximum overtime labour rate at 1.75 times the relevant ordinary rate and considered this cap is reasonable. See Ausgrid, *Att 9.3 – Ancillary network services*, 31 Jan 2023, p 23.

Table A.4 Non-exhaustive list of ancillary network services provided on a quotation basis

Description of service	Description of service
Network tariff change request - Bulk tariff transfers requested by a customer (R1)	Notification of arrangements (R1)
Maintenance and testing of customer metering access points (R2)	Notification of arrangements (R3)
Maintenance and testing of customer metering access points (R3)	Property Tenure (R1)
Maintenance and testing of customer metering access points (R4)	Property Tenure (R3)
Distributor arranged outage for purpose of replacing metering - Additional activities (R4)	Property Tenure (R5)
Facilitation of metering related works supporting advanced meter roll-out (R4)	Rectification of illegal connections (R4)
Administration of contestable works - Additional (R1)	Fitting of tiger tails (torapoli covers) (R4) + torapoli hire charges
Design information - Standard (R3)	High load route assessment/escort (R4)
Design information - Complex (R5)	Temporary power (R4)
Design Certification - Other (R3)	Bushfire mitigation works (R4)
Design Certification - Other (R5)	Neutral integrity test (R4)
Preliminary Enquiry (R3)	Termination of a 11 kV cable at a zone substation (R4)
Preliminary Enquiry (R5)	Termination of a sub-transmission cable at a major/sub-transmission substation (R2)
Connection Offer - Negotiated (R5)	Termination of a sub-transmission cable at a major/sub-transmission substation (R4)

Description of service	Description of service
Planning Studies (R3)	Termination of a sub-transmission cable at a major/sub-transmission substation (R5)
Planning Studies (R5)	Complex customer initiated asset relocation (R2)
Technical Support - Permanently Unmetered Supply (PUMS) (R3)	Complex customer initiated asset relocation (R4)
Registered participant support (R5)	Complex customer initiated asset relocation (R5)
Commissioning assets - Complex (R2)	Traffic control (R4)
Commissioning assets - Complex (R3)	Substation disconnect and reconnect (R4)
Commissioning assets - Complex (R4)	Network Compliance Activities - Level 1 ASP works (R2)
Decommissioning assets (R2)	Re-inspection – Level 1 ASP works (R2)
Decommissioning assets (R3)	Re-inspections - Level 2 ASP works (R1)
Decommissioning assets (R4)	Re-inspections - Level 2 ASP works (R2)
Complex network access permit or clearance to work (R2)	Investigate, review & implementation of remedial actions associated with ASP's connection works (R5)
Complex network access permit or clearance to work (R3)	Service size >100A and mandatory inspections (R1)
Complex network access permit or clearance to work (R4)	Service size >100A and mandatory inspections (R2)
Install / remove overhead network earths or low voltage shorts (R4)	Re-inspection of electrical contractor works (R1)
Access - standby person (R4)	Re-inspection of electrical contractor works (R2)
Access - confined spaces entry permit (R2)	Engineering consultancy (R6)
Access - confined spaces entry permit (R4)	Approved materials list application (R5)

Description of service	Description of service
Process and project facilitation (R3)	Approved materials list application (R6)
Process and project facilitation (R5)	Public lighting minor capital works (R1)
Specialist services (R5)	Public lighting minor capital works (R2)
Facilitation of activities within clearances of distribution and transmission assets (R3)	Public lighting minor capital works (R3)
Facilitation of activities within clearances of distribution and transmission assets (R4)	Public lighting minor capital works (R4)
Facilitation of activities within clearances of distribution and transmission assets (R5)	

B Public lighting services

Table B.1 Public lighting prices for 2024–25

Charge Reference	Charge Group	Revised proposal	Final decision	Difference (%)
Connection - O/U	Opex - Connections	\$102.28	\$102.24	-0.05%
Connection - UGR1	Opex - Connections	\$93.76	\$93.71	-0.05%
Connection - UGR2	Opex - Connections	\$34.09	\$34.07	-0.05%
Legacy Luminaire - Major (Cat V) road	Opex - Maintenance- Traditional Luminaire	\$53.95	\$53.41	-1.01%
Legacy Luminaire - Minor (Cat P) road	Opex - Maintenance- Traditional Luminaire	\$33.72	\$33.43	-0.88%
Luminaire - Minor (Cat P) road	Opex - Maintenance- LED Luminaire	\$23.50	\$23.32	-0.73%
Luminaire - Major (Cat V) road	Opex - Maintenance- LED Luminaire	\$32.02	\$31.76	-0.79%
Smart Controller	Opex - Maintenance- Smart controller	\$4.40	\$4.40	-0.05%
Luminaire - Decorative	Opex - Maintenance- LED Luminaire	\$25.20	\$25.03	-0.68%
Luminaire - Floodlight	Opex - Maintenance- LED Luminaire	\$32.02	\$31.76	-0.79%
Luminaire - Major (Cat V) road - smart controller installed	Opex - Maintenance- LED Luminaire	\$22.67	\$22.51	-0.70%

Charge Reference	Charge Group	Revised proposal	Final decision	Difference (%)
Luminaire - Minor (Cat P) road - smart controller installed	Opex - Maintenance-LED Luminaire	\$18.16	\$18.05	-0.59%
Luminaire - Floodlight - smart controller installed	Opex - Maintenance-LED Luminaire	\$22.67	\$22.51	-0.70%
Luminaire - Decorative - smart controller installed	Opex - Maintenance-LED Luminaire	\$19.87	\$19.76	-0.55%
Legacy Bracket - Minor (Cat P) road - Short	Capital - Bracket	\$7.78	\$7.73	-0.65%
Legacy Bracket - Minor (Cat P) road - Medium	Capital - Bracket	\$14.25	\$14.20	-0.38%
Legacy Bracket - Minor (Cat P) road - Long	Capital - Bracket	\$22.51	\$22.45	-0.26%
Legacy Bracket - Major (Cat V) road - Short	Capital - Bracket	\$11.55	\$11.48	-0.66%
Legacy Bracket - Major (Cat V) road - Medium	Capital - Bracket	\$22.19	\$22.10	-0.37%
Legacy Bracket - Major (Cat V) road - Long	Capital - Bracket	\$32.16	\$32.08	-0.27%
Bracket - Minor Road (Cat P) - Short	Capital - Bracket	\$9.64	\$9.59	-0.54%
Bracket - Minor Road (Cat P) - Medium	Capital - Bracket	\$15.31	\$15.26	-0.35%
Bracket - Major Road (Cat V) - Short	Capital - Bracket	\$12.52	\$12.44	-0.61%
Bracket - Major Road (Cat V) - Medium	Capital - Bracket	\$22.69	\$22.61	-0.36%
Bracket - Major Road (Cat V) - Long	Capital - Bracket	\$28.28	\$28.20	-0.30%

Charge Reference	Charge Group	Revised proposal	Final decision	Difference (%)
Legacy Luminaire - 1000W SON	Capital - Traditional Luminaire	\$107.46	\$107.14	-0.30%
Legacy Luminaire - 1000W SON FLOODLIGHT	Capital - Traditional Luminaire	\$87.92	\$87.61	-0.35%
Legacy Luminaire - 1000W/1500W MBI FLOODLIG	Capital - Traditional Luminaire	\$119.09	\$118.77	-0.27%
Legacy Luminaire - 100W MBI	Capital - Traditional Luminaire	\$40.34	\$40.05	-0.72%
Legacy Luminaire - 100W MBI FLOODLIGHT	Capital - Traditional Luminaire	\$43.70	\$43.41	-0.67%
Legacy Luminaire - 100W SON	Capital - Traditional Luminaire	\$42.97	\$42.68	-0.68%
Legacy Luminaire - 100W SON - PLAIN	Capital - Traditional Luminaire	\$42.97	\$42.68	-0.68%
Legacy Luminaire - 100W SON FLOODLIGHT	Capital - Traditional Luminaire	\$63.16	\$62.86	-0.47%
Legacy Luminaire - 125W MBF	Capital - Traditional Luminaire	\$26.05	\$25.86	-0.74%
Legacy Luminaire - 125W MBF - BOURKE HILL	Capital - Traditional Luminaire	\$80.61	\$80.39	-0.27%
Legacy Luminaire - 125W MBF - PARKVILLE	Capital - Traditional Luminaire	\$101.50	\$101.28	-0.22%

Charge Reference	Charge Group	Revised proposal	Final decision	Difference (%)
Legacy Luminaire - 125W MBF - PLAIN	Capital - Traditional Luminaire	\$26.05	\$25.86	-0.74%
Legacy Luminaire - 125W/250W MBF FLOODLIGHT	Capital - Traditional Luminaire	\$35.98	\$35.79	-0.55%
Legacy Luminaire - 150W SON	Capital - Traditional Luminaire	\$43.35	\$43.06	-0.67%
Legacy Luminaire - 150W SON - PARKVILLE	Capital - Traditional Luminaire	\$117.06	\$116.73	-0.28%
Legacy Luminaire - 150W SON - PARKWAY 1	Capital - Traditional Luminaire	\$51.71	\$51.42	-0.57%
Legacy Luminaire - 150W SON ACTIVE REACTOR	Capital - Traditional Luminaire	\$63.73	\$63.43	-0.47%
Legacy Luminaire - 150W SON FLOODLIGHT	Capital - Traditional Luminaire	\$50.75	\$50.46	-0.58%
Legacy Luminaire - 150W/250W MBI FLOODLIGHT	Capital - Traditional Luminaire	\$77.94	\$77.63	-0.39%
Legacy Luminaire - 250W MBF	Capital - Traditional Luminaire	\$42.58	\$42.29	-0.68%
Legacy Luminaire - 250W MBF - PARKWAY 1	Capital - Traditional Luminaire	\$51.71	\$51.42	-0.57%
Legacy Luminaire - 250W SON	Capital - Traditional Luminaire	\$43.35	\$43.06	-0.67%

Charge Reference	Charge Group	Revised proposal	Final decision	Difference (%)
Legacy Luminaire - 250W SON - PARKVILLE	Capital - Traditional Luminaire	\$126.43	\$126.10	-0.26%
Legacy Luminaire - 250W SON - PARKWAY 1	Capital - Traditional Luminaire	\$51.71	\$51.42	-0.57%
Legacy Luminaire - 250W SON ACTIVE REACTOR	Capital - Traditional Luminaire	\$63.73	\$63.43	-0.47%
Legacy Luminaire - 250W SON FLOODLIGHT	Capital - Traditional Luminaire	\$50.75	\$50.46	-0.58%
Legacy Luminaire - 250W SON GEC 'BOSTON 3'	Capital - Traditional Luminaire	\$109.01	\$108.69	-0.29%
Legacy Luminaire - 2X14W TF - T5 PIERLIGHT	Capital - Traditional Luminaire	\$34.10	\$33.91	-0.58%
Legacy Luminaire - 2x14W TF - T5 PIERLITE M	Capital - Traditional Luminaire	\$34.10	\$33.91	-0.58%
Legacy Luminaire - 2x250W SON FLOODLIGHT	Capital - Traditional Luminaire	\$71.41	\$71.11	-0.43%
Legacy Luminaire - 2x400W SON FLOODLIGHT	Capital - Traditional Luminaire	\$142.42	\$142.09	-0.24%
Legacy Luminaire - 2x80W MBF - BOURKE HILL	Capital - Traditional Luminaire	\$70.27	\$70.05	-0.30%
Legacy Luminaire - 400W MBF	Capital - Traditional Luminaire	\$34.09	\$33.81	-0.84%

Charge Reference	Charge Group	Revised proposal	Final decision	Difference (%)
Legacy Luminaire - 400W MBF - B2229	Capital - Traditional Luminaire	\$34.09	\$33.81	-0.84%
Legacy Luminaire - 400W MBF - PARKWAY 1	Capital - Traditional Luminaire	\$68.47	\$68.17	-0.44%
Legacy Luminaire - 400W MBF FLOODLIGHT	Capital - Traditional Luminaire	\$75.19	\$74.88	-0.41%
Legacy Luminaire - 400W MBI FLOODLIGHT	Capital - Traditional Luminaire	\$59.19	\$58.89	-0.50%
Legacy Luminaire - 400W SON	Capital - Traditional Luminaire	\$47.10	\$46.81	-0.62%
Legacy Luminaire - 400W SON - PARKWAY 1	Capital - Traditional Luminaire	\$51.71	\$51.42	-0.57%
Legacy Luminaire - 400W SON ACTIVE REACTOR	Capital - Traditional Luminaire	\$71.41	\$71.11	-0.43%
Legacy Luminaire - 400W SON FLOODLIGHT	Capital - Traditional Luminaire	\$50.75	\$50.46	-0.58%
Legacy Luminaire - 42W MBF SYLVANIA SUB ECO	Capital - Traditional Luminaire	\$31.34	\$31.15	-0.62%
Legacy Luminaire - 4x250W SON	Capital - Traditional Luminaire	\$80.38	\$80.07	-0.38%
Legacy Luminaire - 4x600W SON	Capital - Traditional Luminaire	\$122.35	\$122.03	-0.27%

Charge Reference	Charge Group	Revised proposal	Final decision	Difference (%)
Legacy Luminaire - 50W MBF	Capital - Traditional Luminaire	\$23.65	\$23.46	-0.81%
Legacy Luminaire - 50W MBF - BOURKE HILL	Capital - Traditional Luminaire	\$70.27	\$70.05	-0.30%
Legacy Luminaire - 50W MBF - NOSTALGIA	Capital - Traditional Luminaire	\$70.27	\$70.05	-0.30%
Legacy Luminaire - 50W MBF - PLAIN	Capital - Traditional Luminaire	\$23.65	\$23.46	-0.81%
Legacy Luminaire - 50W SON	Capital - Traditional Luminaire	\$22.88	\$22.69	-0.83%
Legacy Luminaire - 50W SON - NOSTALGIA	Capital - Traditional Luminaire	\$35.67	\$35.47	-0.55%
Legacy Luminaire - 50W SON - PLAIN	Capital - Traditional Luminaire	\$22.88	\$22.69	-0.83%
Legacy Luminaire - 70W MBI	Capital - Traditional Luminaire	\$29.57	\$29.38	-0.66%
Legacy Luminaire - 70W MBI - MACQUARIE DEC.	Capital - Traditional Luminaire	\$114.13	\$113.90	-0.20%
Legacy Luminaire - 70W MBI II	Capital - Traditional Luminaire	\$26.05	\$25.86	-0.74%
Legacy Luminaire - 70W MBI II AERO	Capital - Traditional Luminaire	\$27.02	\$26.82	-0.71%

Charge Reference	Charge Group	Revised proposal	Final decision	Difference (%)
Legacy Luminaire - 70W SON	Capital - Traditional Luminaire	\$25.96	\$25.77	-0.74%
Legacy Luminaire - 70W SON - BOURKE HILL	Capital - Traditional Luminaire	\$78.57	\$78.36	-0.28%
Legacy Luminaire - 70W SON - NOSTALGIA	Capital - Traditional Luminaire	\$73.28	\$73.06	-0.29%
Legacy Luminaire - 70W SON - PARKVILLE	Capital - Traditional Luminaire	\$91.89	\$91.67	-0.24%
Legacy Luminaire - 70W SON - PLAIN	Capital - Traditional Luminaire	\$25.96	\$25.77	-0.74%
Legacy Luminaire - 70W SON BOLLARD	Capital - Traditional Luminaire	\$55.96	\$55.75	-0.37%
Legacy Luminaire - 70W SON FLOODLIGHT	Capital - Traditional Luminaire	\$31.29	\$31.09	-0.62%
Legacy Luminaire - 80W MBF - BEGA+CURVE BRA	Capital - Traditional Luminaire	\$114.74	\$114.51	-0.20%
Legacy Luminaire - 80W MBF - BOURKE HILL	Capital - Traditional Luminaire	\$53.82	\$53.61	-0.38%
Legacy Luminaire - 80W MBF - NOSTALGIA	Capital - Traditional Luminaire	\$69.10	\$68.89	-0.31%
Legacy Luminaire - 80W MBF - PLAIN	Capital - Traditional Luminaire	\$22.56	\$22.37	-0.85%

Charge Reference	Charge Group	Revised proposal	Final decision	Difference (%)
Legacy Luminaire - 80W MBF - REGAL/FLINDERS	Capital - Traditional Luminaire	\$125.03	\$124.79	-0.19%
Legacy Luminaire - 80W MBF BOLLARD	Capital - Traditional Luminaire	\$44.55	\$44.35	-0.45%
Legacy Luminaire - 80W MBF TOORAK	Capital - Traditional Luminaire	\$63.06	\$62.85	-0.33%
Legacy Luminaire - TH FLOODLIGHT	Capital - Traditional Luminaire	\$128.26	\$127.93	-0.26%
Philips minor road RRW	Capital - LED Luminaire	\$54.86	\$54.50	-0.65%
Philips minor road	Capital - LED Luminaire	\$55.01	\$54.65	-0.65%
Aldridge minor road	Capital - LED Luminaire	\$51.03	\$50.68	-0.70%
Aldridge minor road RRW	Capital - LED Luminaire	\$51.03	\$50.68	-0.70%
Aldridge minor road RRW ZHAGA	Capital - LED Luminaire	\$53.73	\$53.37	-0.67%
Aldridge minor road ZHAGA	Capital - LED Luminaire	\$53.73	\$53.37	-0.67%
17W LED SY RRW	Capital - LED Luminaire	\$66.94	\$66.57	-0.54%
1x17W LED	Capital - LED Luminaire	\$63.09	\$62.73	-0.57%
20W LED GE	Capital - LED Luminaire	\$56.20	\$55.84	-0.64%
1x22W LED	Capital - LED Luminaire	\$65.49	\$65.13	-0.55%
1x25W LED GE	Capital - LED Luminaire	\$56.20	\$55.84	-0.64%
Philips minor road high	Capital - LED Luminaire	\$55.16	\$54.80	-0.65%

Charge Reference	Charge Group	Revised proposal	Final decision	Difference (%)
28W LED SY	Capital - LED Luminaire	\$69.82	\$69.46	-0.52%
1x29W LED	Capital - LED Luminaire	\$40.88	\$40.68	-0.49%
33W LED LRL	Capital - LED Luminaire	\$76.39	\$76.02	-0.48%
Bourke Hill Decorative	Capital - LED Luminaire	\$156.55	\$156.14	-0.26%
40W LED ALD	Capital - LED Luminaire	\$54.31	\$53.96	-0.66%
40W LED ALD ZHAGA	Capital - LED Luminaire	\$57.18	\$56.82	-0.63%
42W LED LRL	Capital - LED Luminaire	\$94.02	\$93.48	-0.58%
Philips major road V5	Capital - LED Luminaire	\$59.07	\$58.71	-0.61%
Philips major road V5 ZHAGA	Capital - LED Luminaire	\$67.34	\$66.98	-0.54%
50W LED SY PT	Capital - LED Luminaire	\$201.32	\$200.90	-0.21%
Aldridge major road V5	Capital - LED Luminaire	\$83.57	\$83.20	-0.44%
Aldridge major road V5 Zhaga	Capital - LED Luminaire	\$86.57	\$86.20	-0.43%
Philips floodlight PX3	Capital - LED Luminaire	\$86.77	\$86.23	-0.62%
Aldridge major road V3	Capital - LED Luminaire	\$93.67	\$93.13	-0.58%
Aldridge major road V3 ZHAGA	Capital - LED Luminaire	\$96.67	\$96.13	-0.56%
Philips major road V3	Capital - LED Luminaire	\$70.22	\$69.69	-0.76%
Philips major road V3 ZHAGA	Capital - LED Luminaire	\$78.50	\$77.96	-0.68%
100W LED ALD	Capital - LED Luminaire	\$125.92	\$125.36	-0.44%

Charge Reference	Charge Group	Revised proposal	Final decision	Difference (%)
100W LED SY CT	Capital - LED Luminaire	\$219.41	\$218.98	-0.20%
100W LED SY PT	Capital - LED Luminaire	\$216.40	\$215.97	-0.20%
Sylvania floodlight PX2	Capital - LED Luminaire	\$129.04	\$128.48	-0.43%
Philips floodlight PX2	Capital - LED Luminaire	\$95.34	\$94.80	-0.57%
Philips major road V1	Capital - LED Luminaire	\$75.49	\$74.95	-0.71%
Philips major road V1 ZHAGA	Capital - LED Luminaire	\$83.76	\$83.22	-0.64%
Sylvania floodlight PX1	Capital - LED Luminaire	\$140.02	\$139.46	-0.40%
150W LED Syrkel PT	Capital - LED Luminaire	\$231.48	\$231.04	-0.19%
Philips floodlight PX1	Capital - LED Luminaire	\$96.10	\$95.55	-0.57%
Aldridge major road V1	Capital - LED Luminaire	\$102.52	\$101.98	-0.53%
Aldridge major road V1 ZHAGA	Capital - LED Luminaire	\$105.52	\$104.97	-0.52%
200W LED ALD	Capital - LED Luminaire	\$125.92	\$125.36	-0.44%
Philips major road V1 High	Capital - LED Luminaire	\$87.82	\$87.28	-0.61%
Philips major road V1 High ZHAGA	Capital - LED Luminaire	\$96.10	\$95.55	-0.57%
Aldridge major road V1 High	Capital - LED Luminaire	\$115.12	\$114.57	-0.48%
Aldridge major road V1 High ZHAGA	Capital - LED Luminaire	\$115.22	\$114.67	-0.48%
298W LED ALD	Capital - LED Luminaire	\$182.17	\$181.59	-0.32%
600W LED ALD HM	Capital - LED Luminaire	\$409.83	\$409.31	-0.13%

Charge Reference	Charge Group	Revised proposal	Final decision	Difference (%)
COLONIAL ROCKS SPHERE	Capital - LED Luminaire	\$126.43	\$126.04	-0.31%
LED TRIAL	Capital - LED Luminaire	\$40.88	\$40.68	-0.49%
Spare Luminaire 1	Capital - LED Luminaire	\$0.00	\$0.00	0%
Spare Luminaire 2	Capital - LED Luminaire	\$0.00	\$0.00	0%
Spare Luminaire 3	Capital - LED Luminaire	\$0.00	\$0.00	0%
Spare Luminaire 4	Capital - LED Luminaire	\$0.00	\$0.00	0%
Spare Luminaire 5	Capital - LED Luminaire	\$0.00	\$0.00	0%
Smart Controller - materials and installation	Capital - Smart Controller	\$48.61	\$48.26	-0.73%
Smart Controller - material price only	Capital - Smart Controller	\$20.94	\$20.93	-0.05%
Smart Controller - material price adjusted for PE Cell	Capital - Smart Controller	\$19.18	\$19.17	-0.05%
Support - COLUMN 10.5M-13.5M	Capital - Support	\$427.76	\$427.56	-0.05%
Support - COLUMN 14M-15M	Capital - Support	\$427.76	\$427.56	-0.05%
Support - COLUMN 2.5M-3.5M	Capital - Support	\$373.98	\$373.81	-0.05%
Support - COLUMN 4-6.5M ORION WATE	Capital - Support	\$384.53	\$384.35	-0.05%
Support - COLUMN 4M-6.5M	Capital - Support	\$401.53	\$401.35	-0.05%
Support - COLUMN 7M-10M	Capital - Support	\$392.96	\$392.78	-0.05%

Charge Reference	Charge Group	Revised proposal	Final decision	Difference (%)
Support - DECORATIVE COLUMN	Capital - Support	\$412.47	\$412.28	-0.05%
Support - DEDICATED SUPPORT & COND	Capital - Support	\$381.50	\$381.32	-0.05%
Support - MACQUARIE STANDARD	Capital - Support	\$376.75	\$376.58	-0.05%
Support - MAST 15.5M-30M	Capital - Support	\$398.50	\$398.32	-0.05%
Support - ORION DOUBLE ARM	Capital - Support	\$365.80	\$365.63	-0.05%
Support - POLO 10.5M DECORATIVE 2M	Capital - Support	\$388.75	\$388.57	-0.05%
Support - ROCKS STANDARD	Capital - Support	\$390.47	\$390.29	-0.05%

Shortened forms

Term	Definition
AEMC	Australian Energy Market Commission
AER	Australian Energy Regulator
capex	capital expenditure
CCP26	Consumer Challenge Panel, sub-panel 26
CPI	consumer price index
F&A	framework and approach
LED	light-emitting diode
NEM	national electricity market
NER	national electricity rules
NMI	national meter identifier
opex	operating expenditure
PE cell	photoelectric cell
RBA	Reserve Bank of Australia
RIN	regulatory information notice
WACC	weighted average cost of capital