

# NSW Public Lighting Code Review – Essential Energy Response

## Background

Essential Energy is appreciative for the opportunity to comment on the draft Public Lighting Code. Essential Energy understands the importance of a sound working relationship with its public lighting customers. On that basis Essential Energy's response is provided with a view to enhancing existing service levels, improving transparency and providing value to our customers.

Our response endeavours to enhance services while not unnecessarily increasing costs.

## Principles for Agreement

Essential Energy proposes that there should be agreed principles which set out the performance standards and enhance collaboration between the parties.

1. Essential Energy is not opposed to the principle of mandated performance standards provided those standards do not inherently disadvantage either party or introduce inefficiencies in the delivery of public lighting services.
2. The Public Lighting Code should be designed to enhance collaboration between the parties (service providers and customers), rather than an adversarial prescriptive relationship based on mandated obligations.
3. Any changes to the document should have an agreed transition period which allows the parties to fully assess the impact of the changes and make the appropriate business system changes to meet the new performance standards.
4. Ideally all parties will work towards enhancing performance without the need to increase costs to any party.
5. For the purposes of understanding costs, service levels should be defined e.g. standard or premium
6. Differing service standards maybe apportioned to different asset types, depending on criticality.
7. The Code should recognise the rapidly changing environment in streetlighting technology such as LED lighting and smart streetlighting controls and should have flexibility for the parties to negotiate and introduce new operating methodologies and technologies without significant regulatory constraint.

## Definitions

1. Street light faults should be defined. For example, faults relating to the luminaire/lamp would be defined as a street light fault, whereas faults relating to the network (eg underground cable faults), or to poles, or to repeated third party damage should be treated as exceptions and service levels set by agreement between the parties.
2. The transition period to new service levels should be agreed between the parties.
3. The consultation process and ongoing collaboration should be defined and agreed between the parties.
4. There should be a defined dispute resolution process between the parties that is consistent with existing dispute resolution processes currently in place within the DNSPs for other customer-related matters. Currently the Public Lighting Code refers to the Australian Standard.

## Essential Energy Proposal

<b>Section</b>	<b>1</b>
<b>Wording</b>	a) iii) a requirement that Service Providers use core lighting types that have been agreed to by their customers; and
<b>DNSP Comments</b>	Essential Energy services more than 80 Councils (and R&MS) across regional NSW, negotiating full agreement with all customers would be impractical, potentially creating unnecessary anomalies in asset standards
<b>Suggested Wording</b>	a) iii) a requirement for Service Providers to consult with Customers on any material changes to the Standard Luminaire list.
<b>Impact to EE</b>	Essential Energy would engage in consultation with its Customers prior to a tender and include; discussion on the technical specification, Essential Energy's procurement process
<b>Section</b>	<b>3</b>
<b>Wording</b>	a)A Service Provider must provide a current copy of the Code to each Customer
<b>DNSP Comments</b>	As the most current version of the Code would be readily available on the Department's web site it is preferable to refer customers to this site for copies of the Code
<b>Suggested Wording</b>	A Service Provider must ensure that each Customer has access to a current version of the Code
<b>Impact to EE</b>	A link to the Department's web site could be provided in the Essential Energy Customer portal or on EE's web site which would make it easier for EE and its customers
<b>Section</b>	<b>5</b>
<b>Wording</b>	a)A Service Provider must nominate a designated Public Lighting Customer Liaison Representative.
<b>DNSP Comments</b>	It would be restrictive to nominate a specific single representative for this purpose as individual officers and organisational structures evolve
<b>Suggested Wording</b>	A Service Provider must publish and maintain appropriate contact details to its Customers to ensure timely and efficient management of public lighting requests.
<b>Impact to EE</b>	This would provide appropriate flexibility to ensure that Customers can raise issues and queries with Essential Energy and that any changes of personnel or structure do not detrimentally impact the ability of customers to raise their queries and receive timely responses.
<b>Section</b>	<b>5</b>
<b>Wording</b>	b)For each Customer, the Service Provider must identify a designated Public Lighting Customer Representative and obtain the Customer's Agreement for the Public Lighting Customer Representative to be the primary point of contact between the Service Provider and the Customer with respect to all matters under this Code.
<b>DNSP Comments</b>	<b>This is confusing – does it mean that the Council needs to provide a nominated representative? If so, it should Council who nominates the representative and advises the Service Provider.</b> <b>If not, the following comments would apply.</b> The appointment of any customer representative should be an operational decision of the DNSP and should not require agreement from the Customer. Additionally, the administration of the Code would be a matter for the Department rather than the DNSP. The DNSP would be required to comply with the Code. It would be impractical to get agreement from >80 customers in regard to the proposed clause.
<b>Suggested Wording</b>	Suggest this clause be deleted.
<b>Impact to EE</b>	EE would appoint appropriate personnel to manage its public lighting function and be accountable to the Department for code compliance.
<b>Section</b>	<b>6</b>
<b>Wording</b>	a) A Service Provider must develop and implement a Management Plan for each of its Customers in relation to the operation, maintenance, refurbishment,

	replacement, repair and disposal of Public Lighting Assets relevant to Public Lighting, being those that the Service Provider
<b>DNSP Comments</b>	It would not be practical to have >80 individual management plans, which need to be implemented and periodically reviewed. Individual management plans would also need to be embedded with regional field service crews, these crews work across a number of Councils.
<b>Suggested Wording</b>	A Service Provider must develop and implement a standard Management Plan for all Public Lighting Customers in relation to the operation, maintenance, refurbishment, replacement, repair and disposal of Public Lighting Assets.
<b>Impact to EE</b>	Essential Energy currently has a Public Lighting Management Plan and will review the plan in consultation with customers.
<b>Section</b>	<b>6</b>
<b>Wording</b>	d)(iv – vii)
<b>DNSP Comments</b>	The current list of specified maintenance activities may be restrictive and could be impacted by changes in technology and work practices. Some of the activities such as vegetation management may be the responsibility of Councils and/or covered in other DNSP maintenance programs for the safety and reliability of its distribution network. Have deleted reference to items (iv) to (vii) and also reference to “mandatory” minimum service standards as that is implicit in code compliance being mandatory. Also deleted reference to individual management plans for each customer.
<b>Suggested Wording</b>	A Service Provider must include a maintenance program in the Management Plan which identifies the level of service to be provided by the Service Provider, having regard to the minimum service standards set out in clause 9, in respect of: - i)outage detection.... ii)bulk or spot lamp replacement.... iii)Luminaire cleaning and inspection; iv)Other routine public lighting maintenance activities
<b>Impact to EE</b>	EE will publish a Public Lighting Management plan which incorporates the relevant maintenance plans relevant to the technologies and systems that have been implemented in consultation with its Customers.
<b>Section</b>	<b>6</b>
<b>Wording</b>	e) A Service Provider must include an accurate Public Lighting inventory in the Management Plan for each of its customers.....
<b>DNSP Comments</b>	Public Lighting inventories for each customer are currently provided on a regular basis (monthly) when invoices are raised for monthly billing. Given the regular changes to inventory it is recommended that the inventory be maintained separately to the Management Plan. The list of individual items (i) to (ix) is overly prescriptive and may not be relevant to the inventory report
<b>Suggested Wording</b>	A Service Provider must maintain a current Public Lighting inventory for all customers. The inventory should be provided at least annually or on a more regular basis as agreed with its customers.
<b>Impact to EE</b>	EE has in place processes and systems to provide monthly inventory reports. Including the inventory report within the Management Plan would be administratively burdensome.
<b>Section</b>	<b>6</b>
<b>Wording</b>	h) A SP must ensure that the Public Lighting inventory for each of its customers is accurate and complies with the requirements of this Code within four years of the Effective date.
<b>DNSP Comments</b>	EE has 4 yearly maintenance cycles for bulk lamp replacement and asset inspection. It is recommended that this clause be retained (i.e. “within 4 years”) to enable EE to cost-effectively audit it’s streetlighting assets in conjunction with the established maintenance cycles in the absence of a targeted wholesale audit of streetlighting inventory.
<b>Suggested Wording</b>	No change to current wording

<b>Impact to EE</b>	By reducing the allowable timeframe, EE may incur additional costs to audit which have not been included in its submission to the AER for streetlighting tariffs. Given the rolling inspection cycle, Council inventories will be progressively brought up to date and then maintained throughout the 4 year period.
<b>Section</b>	<b>8</b>
<b>Wording</b>	(a) A Customer may request, in writing, that its Service Provider install infill lighting of up to eight additional Luminaires and up to two additional dedicated poles or columns, or other minor additions or alterations to existing Public Lighting Assets.
<b>DNSP Comments</b>	While Essential Energy is willing to provide very minor installation services, however there is a regulatory requirement for Essential Energy to comply with Ring Fencing regulations. This work as defined within the Ring Fencing guidelines is classed as contestable work. As Councils have overall accountability for public lighting, the design of all public lighting installations should be undertaken by Councils.
<b>Suggested Wording</b>	Where the Customer requests infill or additional lighting of up to seven (I suggest 4) additional luminaires or other minor additions or alterations to existing Public Lighting Assets, and subject to any restrictions imposed by regulation in regards to contestability, the Service Provider must install, operate and maintain on fair and reasonable terms any new Public Lighting Assets or alterations to existing Public Lighting Assets where: <ul style="list-style-type: none"> <li>a) the additional lighting is to be mounted on the Service Provider's <b>existing</b> electricity distribution poles with overhead wiring; and</li> <li>b) standard Luminaires are specified and are to be installed in accordance with relevant network standards.</li> <li>c) infill or additional lighting that requires an illumination design (as requested by the Customer) will not be considered as minor capital works.</li> <li>d) pedestrian crossings will not be considered as minor capital works.</li> </ul>
<b>Impact to EE</b>	Essential Energy currently considers all capital works to be contestable. However minor capital works will be considered provided Essential Energy complies with regulatory obligations.
<b>Section</b>	<b>9</b>
<b>Wording</b>	(Table 1) Repair of Faults involving a group of 3 or more lights on a road with Category V Lighting. Average [8] business days from day of notice is received of Fault
<b>DNSP Comments</b>	The capability to link multiple consecutive streetlight faults will require a system upgrade and geo-spatial interpreter to link such faults. A system upgrade is on Essential Energy's technology roadmap, however will need to be funded and likely to require two years to implement. Given that most streetlights will be individually controlled, not sure of the practical need for this requirement. Multiple streetlights are likely to be associated with a network circuit fault.
<b>Suggested Wording</b>	EE position is to remove this requirement. SLA for repair of all streetlight faults should be 10 business days.
<b>Impact to EE</b>	If this requirement is adopted, there will need to be significant system upgrade for which there is no funding allocated. The longer-term system upgrade could address this requirement.
<b>Section</b>	<b>9</b>
<b>Wording</b>	(Table 1) Repair of all other Faults. Average [8] business days from day notice is received of Fault
<b>DNSP Comments</b>	Essential Energy is not opposed to a firm time frame for the repair of streetlight faults, however Essential Energy services around 1,500 towns and localities which have streetlights, from 98 field service depots. Many localities are over 100kms from a depot, the one off reactive spot repairs within in these localities

	will be very expensive with short time frames. Currently undertaking geo-spatial modelling to understand the cost of this proposal.
<b>Suggested Wording</b>	Repair of all streetlight faults (as defined) within 10 business days or as otherwise agreed with the customer.
<b>Impact to EE</b>	Essential Energy will need to alter current work scheduling processes and systems to deliver on the new fixed time frames. Essential Energy is currently implementing a new work scheduling system which is due for completion by the end of 2019.
<b>Section</b>	<b>9</b>
<b>Wording</b>	Penalty for breach of the service standards. Where a Public Lighting Asset is not repaired within the above timeframes, the service provider must pay to the Customer the equivalent of 25% of the annual charges (including capital recovery and maintenance) for each Public Light so affected.
<b>DNSP Comments</b>	All DNSPs agreed that penalties applied to individual assets was problematic. The penalties as proposed seem to apply a refund which is applied to both capital recovery and maintenance, whereas a fixed penalty would be more practical and transparent to apply. The penalty should be consistent with the loss of service value. DNSPs propose that better reporting to Councils and the regulator would have a greater positive impact on service levels than fixed commercial penalties. Financial penalties may not have the desired affect on performance levels, when DNSPs compare these costs against other business imperatives.
<b>Suggested Wording</b>	DNSPs will provide transparent reporting of streetlight fault repair performance to Customers and the Regulator. Those streetlight faults (as defined) which are repaired outside of agreed timeframes will be reported separately to Customers and the Regulator.
<b>Impact to EE</b>	Currently Essential Energy meets the average 8 day target (minus night patrol), however there is currently no penalty for not meeting this target. Both the DNSP and Council solution will require system and process changes to provide the required outcome. A system implementation with the required functionality will take until end of 2019.

### Additional explanatory comments

1. There should be a transition period prior to the implementation of mandated service levels and penalties - 24 months from the commencement of the next regulatory period. During the transition period service level reports will be developed and made available to public lighting customers.
2. Develop a collaboration process which is agreed between the parties – Councils and RMS.
3. Customers to be engaged in the selection and procurement of luminaires. Essential Energy to have final approval of assets and procurement decisions. Probity issues within the procurement process also need to be considered.

As the asset owner Essential Energy should have accountability for the performance of the assets and whole of life cost.

It is acknowledged the customers have overall accountability for public lighting on roadways.

Essential Energy recognises that customers should make the final determination in relation to streetlight levels within their respective constituencies.

It would seem impractical to achieve total agreement across all customers when selecting luminaires and technologies, although customers should have the opportunity for genuine input into the performance and outcomes of streetlight assets.

4. Essential Energy can consider non-standard streetlights provided the customer is willing to accept all additional costs by negotiation, e.g. maintenance, replacement, stocking of parts, etc.
5. Any penalties for non-compliance with performance standards should be reflective of services not delivered, although better reporting is likely to have a greater positive impact on performance. Penalties

should not include compensation of capital costs. Any penalty costs should be reflective of the operating and maintenance component of the service.

6. THIS POINT IS IMPORTANT - Streetlight faults should be defined as those related to the luminaire/lamp. Those faults which are related to the circuit (underground or overhead), third party damage, vandalism and significant storm activity should be excluded from service level penalties. However Essential Energy will collaborate and seek agreement on reasonable timeframes for repairs in these circumstances.
7. Essential Energy will engage with customers to identify streetlights by location and purpose, which have higher priority due to public safety concerns, e.g. pedestrian crossings, refuge areas.
8. Essential Energy is required to comply with Ring Fencing obligations as determined by the AER. Essential Energy can offer to undertake streetlight works - where that work is minor in nature, on existing assets and does not require the installation of poles or underground circuits. For example, install luminaire and bracket on existing pole, all other work would be undertaken by the customers via the contestable works process.
9. Essential Energy is willing to engage with customers and review technologies which add value to streetlight performance, maintenance and monitoring. Those technologies which are not directly related to the control or monitoring of the streetlight should be treated outside of the Public Lighting Code. These technologies should be seen as business and service development opportunities by the parties and negotiated accordingly.
10. Essential Energy would embed the requirements of the Public Lighting Code within its Streetlight Strategy.
11. Essential Energy proposes that reimbursements for over or under charging for both Essential Energy and customers should be limited to within the regulatory period or four years whichever is the greater. This approach aligns with bulk lamp replacements periods.
12. Section 7 (Reporting) should be separated into 2 parts to reflect the different reporting requirements for both IPART and Customers. i.e. The reporting to IPART should be related to Code compliance and at a summary level across all customers, whereas reporting for individual Customers should be related to performance against the Public Lighting Management Plan.

Should you require any further information regarding this feedback please contact: -

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