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Ms Claudia Huertas
Group Director Operations & Programs
NSW Department of Industry – Division of Resources & Energy
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SYDNEY NSW 2000

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Dear Ms Huertas

Re: SSROC Submission on Review of NSW Public Lighting Code

Thank you for the opportunity to comment on the NSW Public Lighting Code in the context of the Public Lighting Forum convened by your Department.

The Southern Sydney Regional Organisation of Councils (SSROC) makes this submission on behalf of 35 Councils participating in the SSROC Street Lighting Improvement Program. These Councils encompass approximately 95% of all the street lights on Ausgrids's network and over 40% of street lighting in NSW.

SSROC welcomes a review of the NSW Public Lighting Code as we believe that this is urgently needed and that changes should be made prior to privatisation of the utilities.

Current Governance Framework For Street Lighting in NSW

SSROC acknowledges considerable efforts over recent years by Ausgrid to improve aspects of its street lighting service. However, as with any service, the lack of a well-aligned governance framework will inevitably lead to fundamental problems with lighting technology choice, service levels and pricing issues if left unaddressed. This is particularly the case at a time of enormous technology change.

As the road authority, NSW councils, not the utilities, are legally responsible for providing street lighting to the community under the *NSW Roads Act 1993* and *NSW Local Government Act 1993*. Councils pay the three NSW utilities ~\$110m/yr for the service yet have little control over key aspects of its delivery, maintenance or improvement. There are no service-level contracts, no binding service regulation and the current NSW Public Lighting Code is a voluntary and limited instrument. There is little clarity about what appropriate service levels are, no recourse for councils when things go wrong and no meaningful council control over key aspects of an essential public service. In short, street lighting arrangements in NSW are without a clear governance framework.

Utility ownership of NSW street lighting but council legal responsibility for the service has inevitably led to a growing misalignment of interests with financial and non-financial costs to the community. This misalignment of interests is being highlighted by the dramatic lighting technology revolution underway as LED lighting and smart controls bring greatly improved performance and render much of the legacy lights obsolete.

The Australian Energy Regulator (AER) has stated to Councils that it has no powers to set or enforce street lighting service levels in NSW. Its role is limited to that of a pricing regulator which is clearly an insufficient basis to rely on for the safe and cost-effective regulation of NSW street lighting, whether it is publicly or privately owned.

The inadequacy of current NSW arrangements was recognised by the AER in its Final Decision of April 2009 where it concluded in part 17.4.6 that "*...given the prolonged outages experienced by public lighting customers, the AER considers that more robust service level arrangements need to be implemented.*"

Councils' view is that privatisation without further reform to establish a clear basis of service would expose NSW councils to a monopoly private-sector service provider without a clear basis of service.

Growing Misalignment of Interests

Street lighting is unlike other aspects of the electricity distributors' businesses because the utility owns the end-user's electrical appliance, the street light. Under the current framework, the utilities are incentivised to maximise the returns from their street lighting businesses and minimise liability exposures but little else.

In contrast, councils (and the RMS) have a much wider set of street lighting priorities for which there are no drivers on the utility to incorporate, including: minimising total long-term costs to the community; reducing energy consumption and greenhouse gas emissions; and providing good quality lighting for the community with consideration to:

- Public safety & security
- All aspects of standards compliance
- Public amenity
- Colour and colour rendering
- Light pollution in all its forms (obtrusive light, upward waste light and glare)

All stakeholders including councils, utilities and regulators have struggled to deal with the current absence of a clear governance framework for street lighting and a growing misalignment of interests. Recent Australian street lighting pricing reviews have been highly contentious as a consequence, not just in NSW but in other states where street lighting is also without a clear governance framework.

At the start of a major wave of technology change, the utility model of street lighting ownership is also under significant strain in parts of the United States where it is prevalent¹. Individual States are increasingly intervening to facilitate LED deployment. States in the US Northeast such as Massachusetts, Maine, Connecticut and Rhode Island have enacted legislation that allow municipalities to buy out the street lights in their area at the depreciated book value². These US States have recognised that the current regime is ill-suited at a time of technology change and that the concept of an ever-inflating regulatory asset base (also used by the AER in Australia) is a pricing tool that was never intended to apply as an exit mechanism.

As a result of the changes enacted by US states, large LED replacement programs are now underway in Massachusetts and Connecticut that involve transferring control of lighting to municipalities who then contract with specialist street lighting services providers under long-term

¹ For example, see US Dept of Energy Municipal Solid State Lighting Consortium Light Post January 2015

² http://www.syracuse.com/news/index.ssf/2015/05/some_cities_can_buy_national_grids_streetlights_cheap_but_not_syracuse.html

³ http://www.esc.vic.gov.au/getattachment/9d34268e-87eb-497f-b28a-e2d6a0e5fd18/RI_FinalPublicLightCodeFollow04ReviewNCM_Apr05.pdf

² http://www.syracuse.com/news/index.ssf/2015/05/some_cities_can_buy_national_grids_streetlights_cheap_but_not_syracuse.html

performance-based contracts. Similar legislation has been proposed in other states including most recently in Maryland. Other jurisdictions, such as California have proposed legislation to compel utilities to install LEDs and, in Montana, court action has launched against a utility aimed at challenging claimed residual values and forcing LED adoption.

The relevance of the US examples to NSW is that, without reform, the growing misalignment of interests between councils and utilities will inevitably lead to increasing tension. Notably, the Queensland government now appears to be facilitating transfer of control of street lighting to local councils much as is happening in the United States.

Victorian Public Lighting Code

By way of relevant Australian precedent, I note that when the Victorian utilities were privatised, Victoria implemented a mandatory public lighting code. While Victorian public lighting prices have in recent years been lower than in NSW, the Victorian Public Lighting Code³ mandates a higher service level than in NSW. For example, the Victorian Public Lighting Code:

- is a binding DNSP licence condition instead of being voluntary as in NSW;
- requires street lighting repairs to be completed within a fixed period of 7 business days as compared to a yearly average of 8 business days across a local government area as in NSW;
- makes Victorian utilities liable for a penalty payment to nearby residents if repairs are not completed within 2 business days as compared to 12 days in NSW; and
- has more extensive minimum inventory and reporting requirements than in NSW.

There is therefore a reasonable basis to suggest that NSW public lighting prices should currently be lower than in Victoria because of the lower service standards applying.

NSW Public Lighting Code Provisions Requiring Review

SSROC re-iterates its position from the previous 2009 Code review that, because of the vital role that public lighting plays in public safety and security, there is an overwhelming case to make the NSW Public Lighting Code a mandatory instrument as a top priority. At present, there are:

- no contracts or no Service Level Agreements;
- no binding regulation governing service provision;
- an acknowledged history of non-compliance with the current Code⁴;
- non-compliance with the current Code (see attachment on non-compliance with specific Code provisions)
- an acknowledged lack of incentive for the utilities to comply with the Code⁵; and
- an acknowledged shortage of resources within the utilities where public lighting issues have to compete for limited resources that are subject to mandatory license conditions and other mandatory requirements.

Ausgrid's statement in Attachment 8.01 of its original submission to the AER 2014-19 pricing review that, "*Ausgrid will be working towards meeting the targets of the Code throughout the 2014-19 regulatory period*" underscores the need for the Code to be a mandatory instrument. Non-compliance with multiple aspects of the Code and a lack of commitment to adhere to it is inappropriate more than nine years after the implementation of a Code which Ausgrid agreed with councils and the then Department of Energy Utilities and Sustainability in writing that it would implement in full.

³ http://www.esc.vic.gov.au/getattachment/9d34268e-87eb-497f-b28a-e2d6a0e5fd18/RI_FinalPublicLightCodeFollow04ReviewNCM_Apr05.pdf

⁴ per Department of Industry & Investment NSW Public Lighting Code Review - Discussion Paper 2009

⁵ per Department of Industry & Investment NSW Public Lighting Code Review - Discussion Paper 2009

Beyond the fundamental need to make the Code mandatory, a number of specific sections of the Code merit review. Attached to this letter is a section-by-section summary of the issues that Councils believe need reconsideration.

SSROC would be pleased to provide additional information or have further discussions with the Department at any point about these matters.

Should you have any questions about this submission, please contact me on 02 8396 3800 and namoi.dougall@ssroc.nsw.gov.au or Graham Mawer on 02 8966 9444 and gmawer@nextenergy.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Namoi Dougall'. The signature is written in a cursive style with a large initial 'N'.

Namoi Dougall
General Manager
Southern Sydney Regional Organisation of Councils

Cc: SLI Program Councils

NSW Public Lighting Code Provisions Requiring Review

NSW PUBLIC LIGHTING CODE PROVISION	ISSUES FOR REVIEW
<p>5 Service Level Agreements</p>	<p>In the Explanatory Paper to the previous 2009 review is stated that, <i>“...individual Service Level Agreements provide the best framework and opportunity for PLSPs and Customers to provide public lighting services in a flexible manner.”</i></p> <p>However, as the Department acknowledged, the recent AER pricing decision only <i>“...allows for Customers to negotiate a Service Level Agreement with their PLSP with prices for any aspect of the service below the AER pricing determination.”</i> Negotiating for higher service levels is therefore not feasible.</p> <p>Conversely, as a possible way to negotiate for lower service levels, the Department suggests that Councils may wish to offer concessions such as agreeing to maintenance standards below those required of AS/NZ 1158. This too appears infeasible. As per legal advice given to councils, councils have little or no flexibility to negotiate for service levels below AS/NZ 1158.</p> <p>While AS/NZ 1158 is not directly legally mandated in NSW, legal advice given to SSROC councils in 2002-03 concluded that the powers granted to Councils under the <i>Local Government Act 1993</i> and the <i>Roads Act 1993</i> empower Councils to provide street lighting and create a duty for Councils to exercise those powers appropriately. In the absence of other recognised lighting Standards in Australia, it would not be reasonable for Councils to demonstrate that they have exercised a reasonable duty of care with respect to their public lighting powers if they nominated service levels below the minimum levels required under AS/NZ 1158. In short, AS/NZ 1158 is in effect mandatory for NSW Councils.</p> <p>In view of the above, Councils are not in a position to negotiate either a higher or lower level of public lighting service casting serious doubt over the relevance of Service Level Agreements in this context.</p> <p>More generally, given the negotiating asymmetry between DNSPs and Councils, there can be no reasonable belief that SLAs will play a meaningful role in NSW public lighting under the current governance structure.</p> <p>Substantiating this view, SSROC has been unable to identify any substantial precedence for comprehensive public lighting SLAs between DNSPs and Councils in either NSW or Victoria (where their Public Lighting Code has been in effect since 2001).</p> <p>SSROC can also confirm that the feedback given to it by Ausgrid (then EnergyAustralia) when Councils sought an SLA was similar to that reported by Riverina Councils when they approached Essential Energy (then Country Energy) requesting an SLA⁶. Ausgrid informed SSROC in 2005-06 that it was not prepared to continue negotiations on a Service Level Agreement with the introduction of the NSW Public Lighting Code.</p>

⁶ 2009 Code Review Explanatory Paper, p5

	<p>SSROC therefore urges the Department to recognise that the NSW Public Lighting Code (and the associated DNSP Management Plans) form the <i>de facto</i> Service Level Agreement for almost all public lighting in NSW and to recognise that, as a substitute for any other agreement, they should contain the normal mechanisms found in contractual arrangements covering tens of millions of dollars. Namely, the Code should have legal force and there should be financial recourse for Councils when services are not provided to the agreed standard.</p>
<p>7.1 & 7.3 a Maintenance of Underground Supply Faults</p>	<p>Ausgrid does not appear to be meeting the requirements in its own Management Plan, under the NSW Public Lighting Code or in AS/NZS 1158 in dealing with underground supply faults to public lighting.</p> <p>Prolonged underground supply faults are a widespread issue across Ausgrid's network as demonstrated by surveys of main road outages conducted by the Southern Sydney Regional Organisation of Councils in 2012/13 of over 3600 lights across 13 LGAs (data available on request). These surveys found that 68% of main road outages were from underground supplied lights while these lights made up only 30% of lights surveyed.</p> <p>Ausgrid's outage rate from overhead supplied lights on main roads was a respectable 1.8% while, in contrast, the outage rate for underground supplied lights was at 9%. Previous SSROC surveys have also shown Ausgrid lighting installations that are underground supplied to have outage rates well in excess of 5% so this is a problem of long-standing.</p> <p>To protect community safety, the road lighting standard, AS/NZS 1158, sets a maximum outage rate of 5% in AS/NZS 1158 Part 1.2 section 14.5.2.</p> <p>In Section 10.0 of Ausgrid's Public Lighting Management Plan, it states that, "<i>Ausgrid will operate the Public Lighting Network, efficiently and effectively over the economic life in accordance with 'in-service' values specified for 'Category V' and 'Category P' lighting detailed in AS/NZS1158 series of standards pertaining to the lighting of roads and public spaces.</i>"</p> <p>With respect to groups of underground supplied lights and the failure to address supply faults in a reasonable timeframe, SSROC does not believe that Ausgrid is meeting the requirements in its own Management Plan, under the NSW Public Lighting Code or under any reasonable interpretation of AS/NZS 1158.</p> <p>Underground supply faults to street lights are inappropriately excluded from the key measure of electricity network reliability, the Service Target Performance Improvement Scheme (STPIS)⁷, from performance measures in the NSW Public Lighting Code and from Ausgrid's measurements of street lighting faults in annual performance reports to councils. Without measurement, reporting or financial consequence, it appears highly unlikely that this issue will improve.</p> <p>In view of the public safety implications of the multiple outages typically caused by a supply fault, the Department should consider amendments to the Code to:</p>

⁷ See Appendix A of <https://www.aer.gov.au/system/files/Amended%20STPIS%20-%20November%202009.pdf>

	<p>1) mandate reporting of underground supply faults to street lights (including location, number of lights involved and duration).</p> <p>2) set reasonable limits on the timeframe for repairs, particularly in view of the public safety issues involved.</p> <p>Notably almost all the lengthy delays (eg 30 days+) in completing repairs reported by Councils and by Ausgrid in recent years involve network supply faults and these have overwhelmingly been underground supply faults.</p> <p>Outages involving underground supply faults frequently involve multiple lights on the same circuit and often involve main roads as these are the areas where there has been the most undergrounding. Main roads with underground supplies are typically in high profile areas with large number of pedestrians and high volumes of vehicles.</p> <p>It is main roads where the greatest risk of a vehicle-related injuries or death lies. And, the human eye can simply not adapt quickly enough in going from the high lighting levels typically found on a main road to the low lighting levels found on a stretch of road where multiple lights are out.</p> <p>AS/NZ 1158 and other internationally recognised research suggests lighting can reduce night-time accidents by about 30%⁸. The corollary to this is that compared to a well-lit road, the absence of a lengthy stretch of lighting may increase the risk of accidents by a similar amount or perhaps more where significant contrast issues are involved.</p> <p>A specific maximum repair time is needed under the Code. Acknowledging the greater complexity of repairing some underground supply faults, the SLI Program suggests an absolute maximum of 15 days for such repairs.</p>
7.3 a Night Patrols	<p>The Code requires in 7.3A that a Management Plan must include outage detection provisions. This and other maintenance requirements are taken from AS/NZS 1158 which states in AS/NZS 1158 Part 1.2 Section 14.5.2 that “...inspection patrols or other detection methods will be required for lighting installations on major roads (i.e. Category V lighting).”</p> <p>Ausgrid is providing quarterly night patrols on “major traffic roads” but not for all main roads with Category V lighting. There does not appear to be any solid basis for the current Ausgrid approach which excludes some types of main roads (perhaps half of them) and further, leaves councils and the RMS unclear as to which lights are or aren’t patrolled.</p> <p>Night patrols of all roads with Category V lighting are reasonably required under AS/NZS 1158 maintenance requirements and the Public Lighting Code because these roads, in contrast to residential roads, usually have no natural reporting party (e.g. adjacent residents) with a clear self-interest in making fault reports. The failure to patrol all Category V lighting is a</p>

⁸ AS1158.1.3 Appendix C

	<p>material community safety issue as the greatest risk of injury and death is on Category V roads where the highest traffic volumes and speed are.</p> <p>In annual performance reports provided to councils in August 2015, Ausgrid indicated that night patrols were not conducted in all quarters in 10 of the 35 councils in the SSROC SLI Program. This is similar to the level of non-compliance reported by Ausgrid in 2014.</p>
<p>7.3 f & g Maintenance Reporting System</p>	<p>A revised Code should require provision of maintenance data on request and at least annually by class of luminaire. Street lighting maintenance data, by type of lighting, is an essential prerequisite for informed customer choice about lighting types and to enable customer groups to know whether appropriate service levels are being monitored, let alone achieved.</p> <p>Councils' understanding is that Ausgrid did not implement a robust street lighting maintenance reporting system until about 2012, some six years after being required by the NSW Public Lighting Code under Section 7.3 items F and G. This appears to have been a material contributor to mis-investment in up to 50,000 CFL luminaires over five years that, for unknown technical reasons, performed very poorly on the Ausgrid network from the first year of installation but high failure rates were not recognised for some years thereafter.</p> <p>A revised Code should also require reporting on completion of fault repairs and capital works as the present approach leads to councils making multiple requests to ascertain the status of faults and minor works.</p>
<p>8 Public Lighting Inventory</p>	<p>Ausgrid has taken significant steps to improve its street lighting inventories in recent years. In addition to the basic requirements of Section 8, Ausgrid's inventories now include GIS location and information on the date of the last replacement of lamp (eg BLR date), luminaire, bracket, pole and UG supply. These items are reasonably required by councils to confirm claimed residual values and validate that appropriate maintenance cycles are being adhered to. The Department should consider inclusion of these items in the Code.</p> <p>The Department should also consider the following items:</p> <ol style="list-style-type: none"> 1. Clarifying in the Code what is meant by "accurate". In the absence of other guidance, SSROC suggests that the accuracy of loads should be at least 98% (Consistent with NSW Electricity Supply Industry Metrology Procedures Version 1.2 10/02/2001 NSW Treasury) 2. A requirement to disclose inventory validation and audit procedures to councils should be included in the Code to substantiate steps being taken to regularly check inventory accuracy and continuously improve it 3. Inventories should be accessible by councils online as per the Victorian Public Lighting Code 5.1.1 (b) 4. To avoid mis-investment, councils should be able to vary a field in the public lighting inventory specifying the replacement for each luminaire, particularly where it varies from the default (eg do not replace at end of life, replace with non-standard fitting, front shielding needed, different bracket arm needed on replacement).

<p>9.1 Reporting</p>	<p>Councils do not believe that Ausgrid has met the information disclosure requirements of Section 9.1 of the Public Lighting Code by failing to disclose street lighting maintenance data to councils which is reasonably required by councils as they ultimately must choose which luminaires to accept as Standard Luminaires and maintenance costs are one of the single largest components of total street lighting costs and help inform technology choice. Additionally, maintenance data also plays a vital role in the early identification of maintenance issues with particular lighting types. High levels of failure in a particular lighting type have material community safety implications.</p> <p>SSROC would also strongly urge that the Code's information disclosure requirements be broadened include all key financial and technical assumptions for public lighting pricing models as outlined in previous SSROC submissions to the AER⁹. As a vital public good but also a monopoly service that is not in the hands of those responsible for providing the service to the community, there should be absolute transparency of the costing models that public lighting pricing decisions are to be based on.</p> <p>As per comments on 7.1 and 7.3A above, underground repair times should be required reporting in Annual Performance Reports.</p>
<p>10 Minor Capital Works</p>	<p>Councils indicate that they are experiencing lengthy delays in completing minor capital works involving street lighting, often with significant implications for other associated public works.</p> <p>In annual performance reports provided to councils in August 2015, Ausgrid indicated that it exceeded the maximum allowed repair times for minor capital works outlined in the Public Lighting Code in 13 of 35 councils in the SSROC SLI Program. This is similar to the level of non-compliance reported by Ausgrid in 2014.</p> <p>Closely related to minor capital works, council officers widely report that the contestable works regime is both extremely costly and cumbersome for smaller projects that are often as simple as adding a single light or pole but take many months to complete. And, councils report that apparently minor capital works are now increasingly being judged as being contestable. Problems with contestable works regime, acknowledged by Ausgrid at workshops with councils in early 2015, are having profound adverse consequences on other related capital works and are viewed as being a highly inefficient use of limited public funds and resources. A review of the contestability regime is needed as it relates to public lighting. Councils would be pleased to assist the NSW DNSPs and the Department with such a review. The Government cannot have intended the contestability regime to result in dramatically higher costs, increased complexity and long delays.</p>
<p>11.1 Minimum Service Standards</p>	<p>See comments regarding 7.1 and 7.3 A regarding high outage rates on main roads attributable to underground supply faults. To be consistent with the in-service availability requirements of AS/NZS 1158, faults rates in each lighting installation should not exceed 5% (with each lighting installation defined as a contiguous set of lighting illuminating a single roadway consistent with AS/NZS 1158) and the current approach to underground supply faults leaves roadways in breach of AS/NZS 1158 requirements.</p>

⁹ While the AER attempted to mandate full disclosure of street lighting pricing models and assumptions under its Better Regulation guidelines for the 2014-19 pricing review, both the Draft and Final Decisions of the AER made clear that it was unable to enforce this as the street lighting pricing models disclosed were heavily redacted, largely non-working and non-transparent due to confidentiality claims by Ausgrid.

11.2a Minimum Service Standards	The Code should be revised to require that feedback on completion of repairs and minor capital works be provided to the reporting party.
11.2b Minimum Service Standards	<p>As per Ausgrid's Annual Performance Reports provided to councils in August 2015, average repair times in 12 of 35 councils in the SSROC SLI Program exceeded the maximum 8 day limit in the Public Lighting Code and averaged 7.5 days across all councils. This is a further deterioration in repair times from an average 6.7 days last year and of 3-4 days at the beginning of the last regulatory period.</p> <p>Non-compliant areas are mostly in northern Sydney (Hornsby, Hunters Hill, Ku-ring-gai, Lane Cove, North Sydney, Pittwater, Warringah & Ryde), along with Sutherland, Kogarah, Waverley and Woollahra in southern Sydney). A further six councils are near the limit with average repair times above 7 days.</p> <p>SSROC also believes that the Code should be modified so that the definition of a lighting fault:</p> <ol style="list-style-type: none"> 1. Includes include day-burners (currently omitted from the Code); and 2. Is changed to reflect introduction of LED luminaires where partial failure is possible (eg a fault should be defined as failure that breaches compliance with AS/NZS 1158, not just a total outage).
11.2c Minimum Service Standards	<p>Ausgrid is not meeting its obligations under Section 11.2 c to keep councils and the Road Authority (where they are not one and the same) on the timeframe for repairs of network supply faults affecting multiple lights. Underground supplied street lighting is most commonly found on main roads where average vehicle speeds are greater, traffic volumes are larger and the risk of injury and death from traffic accidents it at its highest. Underground supplies for street lighting typically feed a number of lights and hence, supply failure usually results in multiple lighting outages which are a significant public safety hazard.</p>
12 Guaranteed Service Level	<p>In the absence of other documentation between the parties or regulations governing the provision of public lighting, SSROC believes that a range of meaningful penalties must be included as a core element of a revised NSW Public Lighting Code.</p> <p>As the Department's 2009 Discussion Paper acknowledged and as evidenced by recent Ausgrid Annual Performance Reports, there has been non-compliance with key aspects of the NSW Public Lighting Code over many years. Further, the 2009 Discussion Paper acknowledged that there is no clear near-term incentive to comply with the requirements of the current Code. It is for these reasons that introducing meaningful penalties for Code non-compliance is essential</p> <p>Meaningful penalties (eg 2-3 times the tariffs) must be included as a core element of the NSW Public Lighting Code for instances of non-compliance with each of the basic maintenance, reporting and other requirements of the Code. Reflecting the public safety risks involved and to provide a clear incentive for compliance, Code penalties should be automatic and be set at a multiple of the cost of providing that aspect of the service for the lights involved (and the AER 2014-19 Final Decision provides a clear breakdown of these costs). Non-compliance and any penalties paid as a result should be publicly reported on as a further incentive to comply.</p>

	<p>While the AER can approve prices based on an assumed service standard it has no powers to levy penalties after any failure to meet the basic service standard that were implicitly or explicitly assumed in pricing reviews. The AER can take non-compliance into account at the next pricing review but this can be up to 5 years away. This clearly provides insufficient near-term feedback on Code non-compliance and suggests that, under the current framework, penalties can only be dealt with in the Code itself.</p> <p>Beyond penalties, utility should not be allowed to levy on-going charges for a service that is not being provided (eg an sustained underground supply fault - see North Sydney letter to Networks NSW CEO of 7 Jan 2014 copied to the Department).</p>
<p>13.1 Billing</p>	<p>The Code, in Section 13.1, requires that bills must provide information reasonably necessary for councils to verify the accuracy of amounts charged. Information should be sufficient that councils can identify the charges for each lighting type, verify the accuracy of the individual or total amounts charged on the bill and assess the financial implications of changes to the lighting network.</p> <p>This section of the Code is not currently operating as intended. Specifically, current Ausgrid bills for pre 1 July 2009 assets (eg the vast bulk of lights) do not meet the requirements of Code clause 13.1. There is no breakdown of the lump sum capital charge for pre 1 July 2009 assets on bills (or in any other public document). This leaves councils unable to:</p> <ul style="list-style-type: none"> • identify the total charges for each light or lighting type; • verify the accuracy of the individual or total amounts charged on the bill; or • readily gauge the financial implications of changes to the lighting network. <p>SSROC also notes that neither the Code nor any other regulatory instrument sets a limit on retrospective charges by the utility. As with other utility services, there should be clear limits on retrospective billing claims (eg 1-2 years).</p>
<p>14 Standard Luminaires</p>	<p>The Code should be revised to require informed written Council approval of the Standard Luminaire list, not just consultation about changes. As recent AER pricing decisions make clear, Councils will likely bear full financial responsibility for technology choices made by the DNSPs, even when the DNSP's analysis may have been incorrect or installations have proceeded without written consent. For example, if a particular lighting type proves unreliable, the utilities can (and have) seek a dramatic reset in maintenance pricing at the next pricing review.</p> <p>The approach of requiring informed written consent about changes to public lighting types is reasonably required as:</p> <ol style="list-style-type: none"> 1. Councils, not the utilities, are the road authority 2. Councils, not the utilities, have a variety of other issues to manage in the selection of lights (eg minimising total long-term costs to the community; reducing energy consumption and greenhouse gas emissions; and providing good quality lighting for the community with consideration to:

	<ul style="list-style-type: none"> • Public safety & security • All aspects of standards compliance • Public amenity • Colour and colour rendering • Light pollution in all its forms (obtrusive light, upward waste light and glare) <p>SSROC also suggests that the Code would also be greatly enhanced by requiring DNSPs and councils to regularly meet to review technology choice and seek joint agreement on changes.</p>
<p>15 Non-Standard Luminaires</p>	<p>Ausgrid has indicated to councils it serves that it intends to progressively exit from all forms of decorative, non-standard lighting. This primarily affects areas such as parks and reserves but also some roadways with decorative luminaires. Some 6,000 lights on Ausgrid’s inventory are decorative in nature.</p> <p>Complete withdrawal from provision of a service is not envisioned under the current Public Lighting Code nor the AER pricing regime where prices and residuals implicitly assume an on-going supply.</p> <p>Councils have indicated to SSROC and Ausgrid that they will not be willing to pay claimed residual charges nor accept costs for any DNSP requirements for new connection arrangements at handover.</p> <p>Rather than a haphazard exit from these types of lighting, the Code should help facilitate an orderly transition by requiring agreement on a handover timetable and clarification of the responsibilities of each party.</p> <p>In the meantime, DNSPs should continue to repair decorative lighting assets for which they are responsible until a formal handover is agreed. Refusal to repair¹⁰ is unreasonable and legal liability for the consequences should rest with DNSPs.</p> <p>Metering Requirements</p> <p>Ausgrid increasingly requires new council-owned lighting installations to be separately metered and does not allow the lights to be listed on the Public Lighting Inventory (eg as per Ausgrid ‘Rate 3’ for council-owned and council-maintained lighting) or directly connected to the network (eg as a “Special Small Service”).</p> <p>In practice, councils report that the requirement for metering results in higher installation costs, increased street clutter (eg supply points, metering housings) and increased administrative costs. In one case in a streetscape improvement in Kogarah’s CBD, Ausgrid’s initial requirement to meter the installation was estimated to increase capital costs by more than the net present value of all future energy charges.</p>

¹⁰ In a number of instances involving vandalism in parks and reserves in Bankstown, Ausgrid withdrew maintenance services, leaving lighting inoperable over a sustained period but the utility continued to charge council for these assets. Bankstown Council has noted that these parks are in areas of high risk for sexual assaults and other crimes against the person and that lighting is an essential safety feature. Ausgrid may have a reasonable case for compensation for vandalism above an agreed level but withdrawal of service in such situations appears highly inappropriate and inconsistent with the Code.

	<p>In addition to being a highly inefficient use of public funds, metering requirements for Council-owned lighting also raise questions about competitive neutrality as similar Ausgrid-owned assets are not required to be metered in this way.</p>
<p>Other Issues - Shared Assets</p>	<p>Dedicated lighting poles are being used by DNSPs to support 3rd party telecommunication devices, private lighting and other services being operated as unregulated services to generate additional unregulated revenue. This is a productive re-use of infrastructure. However, dedicated public lighting asset charges cover 100% of the capital costs of these assets as well as installation labour, maintenance and DNSP overheads (eg Rate 1). Alternatively, councils have may have fully funded these assets at installation (eg Rate 2). As councils are fully funding these assets under either Rate 1 or Rate 2, they should reasonably be entitled to the majority of unregulated revenue derived from these assets in the form of a direct payment or in the form of discounted tariffs.</p>