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Attention: Tanya Hobbs
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Date : 23 March 2012
Our Ref : AN:DDA:109747

Contact : Andrew Nicholson 07 3224 0261
Email : anicholson@mullinslaw.com.au

Dear Sirs

NOTIFICATION N95736 LODGED BY ENERGEX LIMITED

We act for Robin Russell and Associates. Please find **enclosed** our client's submission in relation to Energex's Notification N95736.

Yours faithfully



A NICHOLSON
Partner

partners

Patrick Mullins
John Mullins
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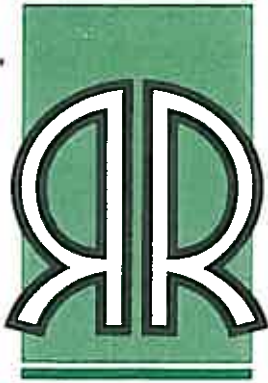
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**Robin
Russell**
& ASSOCIATES PTY. LTD.
A.B.N. 78 010 589 661

Attention: Tanya Hobbs
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Date : 22 March 2012
Your Ref : N95736

By Facsimile: 02 6243 1212

Dear Sirs

NOTIFICATION N95736 LODGED BY ENERGEX LIMITED

Thank you for your letter of 9 March 2012 informing us of Energex's Notification. We wish to make a further submission in relation to the matter. In particular, we have outlined our view as to whether the conduct is in the public benefit or detriment and whether there is likely to be any effect on competition.

Background

Robin Russell & Associates (**RRA**) is a Consulting Electrical Engineer's practice specialising in electricity distribution (more particularly the provision of electricity reticulation and street lighting to new land sub-divisions). We have been engaged in the provision of those services for in excess of 25 years, during which time we have prepared more than 6,000 design drawing for the installation of electrical works (predominantly in new sub-divisions). RRA has developed a reputation as a leader in its field and is widely regarded and respected in the industry. We are the largest service provider of electrical engineering design consultant services for the provision of electricity distribution to sub-divisions in Queensland and, in particular, within South East Queensland.

Preliminary Points – market and services

- 1 In the Notification, Energex have indicated that the relevant market is:
 - 1.1 "the supply in Australia of electrical network design services; and
 - 1.2 the supply in Australia of electrical network connection services".
- 2 Further, the notified goods or services in relation to the supply or acquisition to which the notice relates are described as the provision of
 - 2.1 services to external design consultants, specifically Energex providing external design consultants with the opportunity to perform work for Energex and
 - 2.2 network connection services to sub-division developers, specifically Energex connecting the networks of sub-division developers to the Energex distribution network".
- 3 As indicated in the Notification, Energex require sub-division developers (through their design consultants) to submit electrical network plans to Energex:
 - 3.1 Using Energex's Design Automation Tool (DAT) or WorkPlans Programme;



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- 3.2 Otherwise Energex will charge a fee (conversion fee, which Energex estimates at \$600 to \$1200 per plan) where plans are submitted not in accordance with those programmes.
- 4 We disagree that the market is as described by Energex. That is relevant to our comments in relation to competition matters below. Energex is a Government owned Corporation which variously undertakes the generation, transmission, distribution and retail of electricity in South East Queensland. Energex has a monopoly within South East Queensland, in relation to distribution, as it is the only entity entitled to act as an electrical distribution authority within the geographical limits of its identified territory.
- 5 Energex is not entitled to and does not compete with other entities which are granted rights outside of its territory and to that extent we do not consider that Energex is operating in a competitive market. Its conduct is, of course, governed by the Australian Energy Regulator in relation to the relevant electricity distribution network.
- 6 Due to the above, we consider that the market is more geographically restricted than that indicated by Energex in their Notification.
- 7 As indicated below, Energex further have the capacity to determine the market as a result of their capacity to control what is considered to be contestable and non-contestable work. If the work is regarded as contestable, then it is open to design engineers to compete for the work. However, if the work is non-contestable, then it will be undertaken by Energex or its appointed consultants.
- 8 DAT is software which has been developed by SPARQ Solutions, a company in which Energex has a 50% shareholding.
- 9 In relation to the services, as defined in the Notification, we comment as follows:
- 9.1 Residential land developers are required to seek approval from local government authorities for new residential developments (including re-zoning and sub-division applications).
- 9.2 The conditions imposed by local government authorities include the requirement for developers to provide electricity reticulation and street lighting in newly established sub-divisions. Accordingly, electrical engineers are engaged by various land developers to undertake design works and to supervise the construction of those works through appropriate and suitably qualified contractors.
- 9.3 The requirement rests with developers to produce and provide to Energex (and other stakeholders) "as constructed" design drawings. In producing those drawings, there are a number of other stakeholders with whom the parties are required to coordinate in relation to the design and construction works. These include the Department of Transport and Main Roads, APA Group (in relation to gas reticulation), Telstra, NBN Co (in relation to the National Broadband Network), in addition to Energex or Ergon Energy (depending on which of those parties is the regulated distribution entity as defined within the *Electricity Act 1994*) within the relevant geographical area.

- 9.4 The obligation which developers (or their design consultants) have is to submit a detailed design to Energex in an approved format, as specified in Energex's Supply and Planning Manual, paragraph 2.4.6.2. Of course, developers are also required to obtain planning approval (including approval for their electrical design plan) from the relevant local authority and to construct the works in accordance with the design plan (paragraph 4.1 Energex Sub-Division Standards – Developer Design and Constructor States). Further, an "as constructed" works plans is then required to be submitted (paragraph 4.7 of the Standard) to confirm that the work has been constructed in accordance with the approved design.
- 9.5 As indicated above, Energex regard the "work", namely the augmentation of Energex's network (including the provision of electricity reticulation) and the provision of street lighting to new residential sub-divisions, either as contestable work or non-contestable work. Energex have the ability to determine which work is contestable and which is non-contestable. We attach a copy of the current Energex Sub-Division Guidelines for Developers, which contains further detail in that regard. In particular, the matters set out under the heading "contestable works" on page 1 of the Guidelines are relevant.
- 9.6 Energex assess and either accredit or decline to accredit design consultants to undertake various works, relevantly including the provision of services for the design of estates and the design of rate two (2) public lighting installations (pursuant to Standard SWP47.1 and SWP47.3). The assets which are created subsequently vest in Energex after construction.
- 9.7 A list of the consultants who are presently accredited to undertake sub-division and public lighting design is attached. As we understand it, a number of those accredited consultants are also engaged by Energex as appointed contractors. That is, they have entered into a contract with Energex to perform non-contestable design work for or on behalf of Energex.
- 9.8 In addition, Energex is capable of and, on occasion, does undertake constable work in its own capacity. When Energex introduced contestability it initially offered its services to developers on a competitive basis. However, it subsequently ceased to actively attempt to obtain contestable work, as a result of what we understand to be an inability to compete on price.
- 9.9 At present, we understand that consultants (including Energex contracted consultants) are appointed by developers to undertake the relevant works in virtually all cases. However, this position could change in the event that the cost structure for the production of design drawings is shifted in favour of Energex by the application of additional fees, levies or penalties such as that proposed where DAT is not used for the design, or alternatively through lack of competition in the market.
- 9.10 Under the terms of Energex's sub-division agreement, Energex imposes certain design conditions on developers. However, given that only design consultants who are accredited by Energex are authorised to complete the work, the effect (and perhaps a more correct description of the relationship) is that the conditions are imposed by

Energex on the design consultant who is to perform the work on behalf of the developer. As the work is undertaken by the consultant, the natural effect of imposing any conditions on the developer is to impose those conditions on the consultant (being the entity accredited by Energex to undertake the relevant works).

- 9.11 In our view, there is likely to be a low response rate to the Notification from within the industry (and in particular from design consultants) as most design consultants who are engaged by developers also gain much of their income from Energex contracts. In that event, they are likely to be disinclined to make a submission in relation to the Notification. In contrast, RRA does not obtain any of its work through Energex contracts.

Effect on Public Benefit and Competition Matters

Summary

In summary, it is our view that as a result of the imposition of DAT:

- 10 The cost to developers and purchasers will increase.

It will cost more for developers to undertake residential sub-divisions and that cost will no doubt be passed on to the ultimate consumer. The reason is that if consultants engaged by the developer do not use DAT, then the developer will be charged an additional penalty by Energex to convert plans to DAT format. However, in order to produce plans in DAT format it will be necessary for consultants to obtain not only a copy of the DAT software, but also to obtain a licence of AutoCAD which Energex have indicated will be in the vicinity of \$5,000. Inquiries which we have made indicate that the licence will be in excess of \$5,500 (GST inclusive) together with an ongoing annual fee of in excess of \$750 per annum. Alternative drafting programmes (such as AutoCAD LT, which have previously been used by consultants, are available for considerably less – up to \$4,000 less per licence).

- 11 Safety will not be improved and may be affected.

11.1 It is incorrect to suggest that there is a wider or additional benefit to the community through faster fault resolution and dial before you dig information, as that material is to hand in any event through the as constructed works drawings which are submitted by consultants, regardless of whether those are contained within a DAT drawing or not.

11.2 Although Energex's DAT system might well facilitate data entry by Energex, its implementation will result in increased cost to developers who engage independent consultants, as well as greater risk of construction error and safety. In our case, the as constructed works plans which are submitted by us to Energex contain all of the information which would be contained within the same plan using DAT. The only difference is that the data will be manually imported to the Energex system due to their adoption of an incompatible (and not widely used or accepted) program.

11.3 Energex currently require design consultants to submit drawings in .pdf format, which cannot be easily transferred to systems using .dwg (AutoCAD compatible) files. In our view, the issue could have been

addressed more simply through Energex requesting that design consultants submit design drawings in a compatible format, such as a .dwg file. Design consultants currently submit drawings in that format to other stakeholders, as detailed below.

- 11.4 As discussed further below, the duplication of effort required to produce a design in a second format will lead to the propensity for error, as will having contractors reading separate plans when undertaking the construction work. Our existing plans incorporate systems of data entry and drawing which utilise colour, screening, alignment to scale and other visible features which assist in interpretation by contractors and minimise the risk of construction errors.

The reasons why we hold those views are detailed further below.

Cost factors

- 12 The ultimate result is the developer will be charged an additional levy in the event that the electrical design drawings are not submitted in the form in which they are now required by Energex.
- 13 If design consultants elect to adopt the DAT software, then they will have no alternative other than to acquire AutoCAD software, as that is the only software which is compatible with the DAT system. As a result, design consultants will either be forced to pay a penalty for not submitting designs in DAT format, or have the additional cost of obtaining (and maintaining) a licence for the AutoCAD software.
- 14 The cost of the production of design drawings using the DAT program will be greater than is the case if that system is not used. The reason is that the system is more difficult to use and drafting will have to be undertaken by more experienced personnel (designers as opposed to draftsmen). That will result in an increased cost of production of the design drawings and either a decreased profitability or, more likely, an increase in the cost to developers which may also be passed on to the ultimate consumer.
- 15 The cost of production of design drawings is further increased due to the fact that the DAT software is incompatible with the software used by other stakeholders and will require a duplication of effort. Designs will have to be drawn in or converted by consultants to meet the additional requirements of DAT, should the design consultant not wish to incur the conversion fee.
- 16 RRA has specifically developed a drafting system to facilitate the construction of works which meet the requirements of various stakeholders. In particular, the drafting system contains a number of elements which minimise the possibility of construction errors whilst meeting the requirements of various stakeholders. The plans incorporate the requirements of all stakeholders so that the contractors who are responsible for constructing the work can rely on one plan. The plans also contain colour, screening, alignment to scale and other features which are designed to minimise the risk of construction error. Several of those features cannot be incorporated into the DAT drawings.
- 17 The preparation of the plans in that form also saves construction time, which is a further cost saving which is available to the developer and ultimate consumer

- 18 It is notable that, although having developed the DAT software some time ago, Energex have not yet required its contracted consultants to implement the program. If the DAT software in fact holds all of the benefits which Energex asserts in the Notification, then it is curious that the software was not implemented at an earlier date, at least for use by its contracted consultants.
- 19 In order to comply with Energex's new requirements, RRA would be required to undertake certain steps, including:
- 19.1 Abandoning its current method of drafting detailed above (used consistently amongst stakeholders and for the submission of plans to Energex for 25 years);
 - 19.2 Abandoning its specific drafting system which has been developed to meet the identified needs of all stakeholders, including Energex;
 - 19.3 Adopting, under licence, computer software developed by a subsidiary of Energex (SparQ Solutions) known as Design Automation Tool (DAT), which is to be made available free of charge;
 - 19.4 Purchasing a number of licences for Auto Desk AutoCAD drafting program, which is the only drafting program compatible with DAT. That program is more expensive to obtain, less user friendly and ultimately more time consuming and therefore more costly for the land developer clients to have the same product produced. Much of the data which is to be contained in those (DAT) drawings will be required to be input by highly-qualified designers (and not by draftsmen who work at lower cost), significantly increasing the cost of the work for developer clients. The alternative is, of course, to choose not to provide design drawings in DAT format and to elect to pay the penalty imposed by the conversion fee.
- 20 Whilst Energex has indicated an expectation that cost savings will result from the implementation of DAT, on its own figures the saving will be in the range of \$480,000 to \$1.2 million across the entire network on a best case scenario (\$600 - \$1200 per plan for 800-1000 plans per annum). That, of course, assumes that Energex will save the entire amount indicated above and that it will be passed on to the consumers. If that saving can be passed on to consumers (and there is no material in the Notification to support that proposition) it is immaterial and amounts to a saving of approximately \$0.32 to \$0.80 per customer per annum (\$480,000 to \$1.2 million divided amongst more than 1.5 million customers in Energex Network).
- 21 Further, as detailed below, Energex is effectively gifted the assets with the network by developers following construction. The sole purpose of Energex's network records is the maintenance and operation of the network. In our view the cost of maintenance and operation of the network should properly be borne by consumers in the network and not shifted to the developers and purchasers of lots in new sub-divisions.

Public Detriment

Energex have indicated in their view there is not likely to be any significant public detriment from the proposed conduct. In relation to the matters specifically raised by Energex, we comment as follows:

- 22 As indicated above, the cost of drafting designs of electricity reticulation and street lighting will increase. In our view, the cost is likely to more than double. Since drafting occupies about 50% of the total design time, the cost of designing electricity reticulation and street lighting will increase by between 50% and 100%. This cost will necessarily be added to the cost of developing land and hence will be passed on to land purchasers.
- 23 There are many errors in Energex's existing maps. Many poles and cables are drawn in the wrong place, particularly in undeveloped areas, where new subdivisions are typically developed. This is largely the consequence of the method used to capture the data originally, from paper maps.
- 24 The quality of drafting output by Energex's DAT is relatively poor. At present the system is strongly disliked by most (if not all) external consultants, and all are reluctant to use it. However most of these consultants will not object to it publicly, because they do not want to damage their relationship with Energex, upon whom they depend for continued contract work.
- 25 We expect that the implementation of DAT will likely result in higher prices being tendered by construction contractors, due to their increased difficulty in interpreting the drawings and the greater risk this presents. In summary, it is our view that DAT drawings are not considered to be suitable for construction.
- 26 As outlined above, external consultants are required to integrate their electrical and street lighting designs with designs of NBN conduits, Telstra conduits, Brisbane City Council communications conduits and gas reticulation, as a suite of complementary designs. All of these items of infrastructure are installed by the same contractor - generally in shared electricity trenches. Integration of these designs is virtually impossible when using Energex's DAT. Separate designs will be necessary. This will increase costs and increase the possibility of construction errors.
- 27 Energex's insistence that consultants use Energex's unique DAT add-on when drafting works plans will tend to restrict the number of consultants who are prepared to offer their services to developers. As a result, we would expect that, contrary to Energex's claim, the market for design consultants will actually be reduced. However, those consultants who are engaged on contract work for Energex, and who are thereby required to adopt DAT, will be significantly advantaged over those who do not perform contract work for Energex and who would not otherwise employ DAT.

Manual Redrawing of Designs

- 28 Energex argues that the main benefit of DAT is to eliminate the necessity to redraw designs submitted by external consultants. This argument does not withstand closer scrutiny. The reason why Energex must redraw designs is that Energex has requested that electronic files of designs be submitted only in .pdf format. Drawings in that format cannot easily be transferred to mapping systems based on .dwg (AutoCAD) format.
- 29 External consultants would quite happily submit their designs to Energex in both .pdf and .dwg format. That is already the position in relation to designs prepared for Department of Transport & Main Roads, NBN Co, Telstra and some local authorities, to enable them to import the drawings without redrafting.

- 30 In the case of NBN Co, we design the conduit and pit layout, which is installed by the electrical contractor, in shared electricity trenches. We send a .dwg file to NBN Co. They then use that as their base to design the fibre infrastructure. Eventually, our drawing becomes the base for their records. No redrafting is ever required. We also transfer our drawings to associated civil engineers, surveyors and landscape architects, for the same purpose. It is standard practice for these parties to exchange drawing files in .dwg format.
- 31 In our view, as an alternative solution Energex could have requested consultants to submit drawing files in .dwg format, and avoided the necessity to perform manual redrafting.
- 32 Energex could achieve its stated objectives more easily and cost effectively in other ways. The inference that DAT makes design or drafting easier is incorrect. It is a "data acquisition tool". It provides for the electronic transfer of site data to Energex. It is an add-on to the AutoCAD drafting system.
- 33 There are two main requirements in the creation of Energex's network records:
- 33.1 creating a geographic map of the network, showing the location and connectivity of its elements;
 - 33.2 recording the details of the various network elements, e.g. cable type and size, transformer rating, pillar type, etc.
- 34 The first requirement could easily be satisfied by Energex's adopting a similar approach to that of NBN Co, i.e. by requesting works plans in .dwg format. Some key parameters might also need to be specified, as NBN Co has done.
- 35 The DAT drafting add-on has been designed to capture descriptive data electronically, from metadata embedded in works plans. The alternative to this would be for this data to be transferred from works plans manually by Energex's staff. This would be a relatively simple, inexpensive exercise and would involve no drafting or reformatting.

Other matters going to Public Benefit

- 36 The five benefits listed by Energex are nothing more than benefits which accrue from Energex having timely and accurate records of its network assets. These benefits are not directly related to the use of Energex's DAT system for drafting. Energex is obliged to maintain timely and accurate records of its network by the *Electrical Safety Act 2002*.
- 37 On Energex's admission the benefits only accrue where DAT is widely used/implemented by design consultants. However, at paragraph 1b of the Notification Energex confirms that it does not intend to require developers (and their external design consultants) to use DAT. Accordingly, Energex cannot maintain that the system will have the benefits expressed if developers can elect not to participate. In that case, the only result will be the imposition of the conversion fee on the developers. In that case, there will be no charge in data accuracy or any improvement in effectiveness or efficiencies.
- 38 For the reasons expressed above, Energex is unable to indicate the likelihood of improved efficiencies or of any public benefits which is likely to result from the implementation of DAT.

- 39 As Energex has indicated in the Notification, it owns the electricity distribution assets comprising the network in South East Queensland. That is, Energex is gifted with revenue-producing assets by developers (or in reality, land purchasers). Energex is responsible for maintaining those assets following construction and certification.
- 40 If developers' consultants are required to take responsibility for data capture from Energex, naturally there will be cost savings by Energex. However there will be no savings (and in fact a likely increase in cost) overall.
- 41 For the reasons expressed above, in our view the cost of producing design drawings is likely to increase and those costs will merely be transferred to developers, and ultimately to land purchasers. The additional costs for developers will be less than the savings by Energex, because the processes of design and construction will become less efficient.
- 42 There is no apparent basis on which Energex can maintain that there will be cost savings or that any savings will be passed onto the public.
- 43 A result of the implementation of Energex's DAT drafting tool is to transfer responsibility for redrafting and the capture of network data from Energex to developers.
- 44 Energex requirements also have the following likely results:
- 44.1 produce drawings of a poorer quality, less suitable for construction,
 - 44.2 separate electricity reticulation and street lighting designs away from associated designs for NBN fibre, Telstra cables, BCC conduits, and APA gas - all of which are installed by the same contractor, in a shared trench,
 - 44.3 increase design time by 50 percent or more,
 - 44.4 assign a lower priority to (or even ignore) the needs of other users of the electrical designs, viz NBN Co, Telstra, associated consultants and contractors.
- 45 Energex could eliminate the need for redrafting by requiring developers' consultants to submit drawings in .dwg format which are compatible with its system (with or without DAT).

We would be pleased to provide such further information as you may require in relation to the matter.

Yours faithfully
Robin Russell & Associates Pty Ltd



Robin Russell
MANAGING DIRECTOR

Encl.



**Customer Connection Design &
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ENERGEX SUBDIVISION GUIDELINES FOR DEVELOPERS

The design & construction of the electrical reticulation for most new subdivisions are deemed by ENERGEX to be contestable & the developer may engage ENERGEX rated consultants & contractors to complete the reticulation works.

Contestable Works

Contestable works which can be completed by the developers consultant include all subdivision developments where there is a net increase in the number of freehold allotments. In addition to this, community title developments which meet the requirements for internal ENERGEX reticulation, are also deemed contestable works.

Non-contestable works which are to be completed by ENERGEX, include all subdivision developments where there is no net increase in the number of freehold allotments or community title developments which do not meet the requirements for internal ENERGEX reticulation.

Rated Service Providers

ENERGEX has a quality system which requires all service providers engaged to work on ENERGEX Infrastructure to have & maintain an ENERGEX Quality Rating for specific Standard Work Practices (SWP's). For Subdivision Developments there are three distinct groupings of service providers.

Design of Estates (SWP47.1) – The SWP47.1 service provider is responsible for the design of the ENERGEX electrical reticulation and public lighting for the proposed development. They will manage the project up to the execution of the Electricity Supply Agreement by the developer

Management of Estates (SWP47.2) – The SWP47.2 service provider is responsible for the management & completion of the ENERGEX electrical reticulation and public lighting construction for the proposed development.

Construction (SWP2, SWP25 & SWP37) – the construction service provider is responsible for constructing the overhead and underground reticulation as well as all associated public lighting.

Cycle Times

ENERGEX cycle times for the various stages of a Subdivision Project are as follows:

Design Parameters Provided – 5 working days from receipt of request.

Concept Plan Approval – 5 working days from receipt of request.

Design Acceptance – 10 working days from receipt of request.

Subdivider Electricity Supply Agreement Issued

– Project cost <\$100,000 10 working days, >\$100,000 15 working days from receipt of request.

Certificate of Acceptance Issued (to facilitate the release of the bond)

- 10 working days from (1) completion of the reticulation to ENERGEX satisfaction & (2) completion of property matters relating to transformer sites, easements & wayleaves.

Commercial Conditions

ENERGEX will provide a Subdividers Electricity Supply Agreement to the developer for consideration, based upon the ENERGEX approved design prepared by the SWP47.1 consultant. The fees & charges within this agreement will be based upon the rating of the SWP47.1 & SWP47.2 consultants ENERGEX rating.

The conditions of the agreement require the developer to lodge an irrevocable bank guarantee, or bank cheque, in conjunction with the Supply Agreement (duly executed by the developer) & any associated payments. Upon receipt of the bond, executed agreement and payments, ENERGEX will issue a Certificate for Electricity Supply which can be lodged with the local authority for the sealing of plans.

Note: Small Subdivisions, of 4 Lots or less, will generally not have a requirement for a Bond and the Certificate for Electricity Supply will only be issued after acceptance by ENERGEX of the construction of the electrical reticulation works. Due to the small nature of the works associated with these projects, the design parameters, concept plan & design acceptance stages are not required to be completed by the developer.

Funding arrangements

ENERGEX contribute to the cost of the electrical reticulation within subdivisions by providing underground distribution cables, transformers and all overhead materials. This funding is limited to \$2000 per lot. This contribution is calculated on a per stage basis and any costs in excess of the ENERGEX contribution are funded by the developer.

The developer is responsible for the design, construction & supply of all other materials required to complete the proposed electrical reticulation.

Purchase of materials

The developer funded materials can be purchased from a supplier of the developers choice, provided that the materials comply with ENERGEX specifications. ENERGEX Logistics Department at Banyo also provide this service to Developers, however it should be noted that this transaction is independent of the Subdivider Supply Agreement and all financial arrangements are to be between the developer & Logistics Department.

Developers Bond

The developers bond value is estimated at the ENERGEX cost of the works being completed by the developer. Should the developer default on the supply agreement conditions, ENERGEX will draw on this bond to complete any outstanding works or rectify any outstanding defects.

Where the developer is in compliance with the supply agreement conditions, The bond will be released upon completion of the reticulation to ENERGEX satisfaction & upon completion of property matters relating to transformer sites, easements & wayleaves. A copy of the registration confirmation statement is required to be lodged with ENERGEX to satisfy the easement conditions on a subdivision development.

Warranty

The developer is required to warrant against latent defects in workmanship for a period of 2 years from acceptance of the electrical reticulation by ENERGEX.



Agreement Number [REDACTED]

Subdivision Electricity Supply Agreement Developer Design and Construct

a	Developer's Name (print name)	[REDACTED]
	Developer's Address	[REDACTED]
b	Name of Subdivision	[REDACTED]
c	Location of Subdivision	[REDACTED]
d	Real Property Description	n/a
e	Number of Allotments/Premises to be Supplied	0
f	Bond	[REDACTED]
g	Total Payment by Developer (Inclusive of GST)	[REDACTED]
	Made up of -	
	Field Audit Fee	\$ [REDACTED]
	TES	\$ 0.00
	Recoverable Charge	\$ 0.00
	Switching Fee	\$ [REDACTED]
	GST	\$ [REDACTED]
h	Material Supplied by ENERGEX	
	Padmount Transformer(s) -	NIL
	Underground Cable -	

ALL MATERIALS TO BE SUPPLIED BY THE DEVELOPER

Overhead Materials for Project - NIL

i	Late Completion Charge -	\$10 / lot / fortnight (inclusive of GST) if Certificate of Completion is not lodged within 12 weeks of nominated material / plant collection date
j	Offer Expires	[REDACTED]

Special Conditions / Easements / Sub Sites / Clearing / Street Lights

The conditions of this agreement relate to Amendment "A" of the Works Plan for Request S0103894.

ENERGEX may charge additional Field Audit Fees in accordance with our published fee schedule, depending on the rating of the contractor used for construction.

A 5.0M X 7.2M PMT & RMU SITE TO BE PREPARED BY THE DEVELOPER & DEDICATED AS ROAD RESERVE.

SITE TO BE LOCATED AS SHOWN ON WORKS PLAN.

Signed by the Developer

I / We agree to the conditions in this Agreement General Conditions Are Printed On The Reverse Side

Name (please print) _____

Position _____

Signature _____ Date / / _____

Signed for and on behalf of ENERGEX

Signature [REDACTED] Date [REDACTED]

Position Subdivision Coordinator

This Form is not a Certificate of Electricity Supply

General Conditions

(Form part of the Agreement)

- 1 The following conditions form part of the Subdivision Electricity Supply Agreement.
On completion of construction of the electrical reticulation to the satisfaction of ENERGEX, the assets including Rate 2 street lighting shall be transferred to and shall vest absolutely in ENERGEX.
- 2 **ENERGEX shall -**
 - nominate the amount of the bond to be lodged by the Developer;
 - issue a Certificate for Electricity Supply on receipt of bond, executed Subdivision Electricity Supply Agreement and required payments;
 - provide basic design requirements in accordance with ENERGEX's Standard Design Manuals;
 - check and accept reticulation designs and plans of the Developer;
 - forward a letter of Offer stating the Terms and Conditions of the Agreement;
 - be at liberty to cancel the Offer / Agreement or amend its estimate of costs if the Developer changes the subdivision plan or does not commence construction of the reticulation within six (6) months and complete construction within nine (9) months of acceptance of Agreement by Developer. Where the offer is cancelled or not completed on time ENERGEX may elect to complete the electricity supply to the estate and deduct the cost of such work from the bond;
 - require that any defects be rectified by the Developer within thirty (30) days from the receipt of notification of the defects;
 - have the right to rectify any defects and to deduct any costs from the bond;
 - satisfy itself that there has been compliance with the following -
 - correct installation of conduits
 - all additional charges or audit fees owing to ENERGEX have been paid
 - quality of work
 - return of surplus cable and materials if supplied by ENERGEX
 - recovery of salvaged materials
 - assignment to ENERGEX of easements and transformer sites
 - submission and checking of commissioning test reports
 - LV phasing and polarity tests on pillars, neutral boxes and street light poles
 - return of properly detailed and authorised "as constructed" plans
 - issue a Certificate of Acceptance when ENERGEX is satisfied with all aspects of construction and return bond within thirty (30) days, when all fees and additional charges owing to ENERGEX have been paid;
 - at its discretion, provide electricity from the supply available on the subdivision to customers located near or adjacent to the subdivision. Such supply shall not alter this agreement;
 - have the right to make supply available at the developer's costs if an application for permanent supply has been received and / or dwelling construction has commenced and in ENERGEX's opinion the electrical reticulation construction and / or the Certificate of Completion are not being expedited in a satisfactory manner. This may require ENERGEX drawing on the developer's bond.
- 3 **The Developer shall -**
 - provide an irrevocable bond equal to the detailed or provisional ENERGEX estimate of all works associated with the estate. A Certificate for Electricity Supply will not be issued until the bond, executed Subdivision Electricity Supply Agreement and required payments have been received;
 - not promise or represent that electricity supply to the subdivision is available unless there is a current Certificate for Electricity Supply;
 - nominate an approved consultant to undertake the design and nominate an approved contractor to undertake the construction of the reticulation of the estate;
 - provide ENERGEX with all relevant subdivision drawings and plans and obtain local Authority approval;
 - pay a design lodgement fee where applicable on presentation of drawings;
 - be responsible for the payment of all statutory charges and duties relating to the reticulation of the subdivision;
 - (a) with the exception of any amount payable under this clause [add clause No.], unless otherwise stated all amounts stated to be payable by the developer under these terms and conditions are exclusive of GST.
 - (b) if the GST is imposed on any supply made under or in accordance with the terms and conditions, the developer must pay the supplier the additional amount equal to the GST payable on or for the taxable supply. Payment of the additional amount will be made at the same time as payment for the taxable supply is required to be made in accordance with this document, subject to the provision of a tax invoice.
 - be responsible at their expense for all works required to reticulate the subdivision to the standard required by the local authority and by ENERGEX as specified in the standard design manuals using appropriately qualified staff as required by the Electricity Act and the Professional Engineers Act using material listed on ENERGEX's Approved Material List. Any plant and material supplied by ENERGEX to remain the property of ENERGEX throughout;
 - ensure that contractors who tender for electrical design and construction work shall be issued with ENERGEX Standard Work Procedures specifications for the intended work;
 - warrant against latent defects in workmanship for a period of two (2) years from the issue of the Certificate of Acceptance. In the event of an emergency, ENERGEX may repair or arrange the repair of such defects and recover the cost thereof from the Developer;
 - warrant against latent defects in materials supplied from sources other than ENERGEX for a period of two (2) years from the issue of the Certificate of Acceptance. In the event of an emergency, ENERGEX may repair or arrange the repair of such defects and recover the cost thereof from the Developer;
 - ensure that consultants' and contractors' field staff comply with the requirements of the Work Place Health and Safety Act and are aware of the penalties applicable for non-compliance. Where contractors are working on or in the vicinity of ENERGEX's commissioned network the Developer shall ensure that they comply with ENERGEX's published Safety Non-Negotiables and the Guide to Accident Prevention;
 - provide and install at their cost all civil works, pit construction, conduits, conduit plugs, draw wires, E-markers, tape markers, sand, gravel and concrete and retaining walls for transformer sites required for supply to underground estates;
 - nominate a Plant and Material collection date for those items supplied by ENERGEX at least fifteen (15) working days in advance of the required collection date or at least eight (8) weeks in advance in the case of padmount transformers;
 - install pillars and cables on common ground in group title developments, mobile home parks and retirement villages. Pillars are to be positioned a minimum of 1.5 metres distance from the kerb or roadway and known driveways. If this cannot be achieved each pillar shall be adequately protected from damage by vehicles by two (2) substantial steel marker posts one (1) metre high. A minimum of one (1) metre of common ground free of landscaping structures is to be allocated at the side of a roadway for installing cables. Adequate space is required round a padmount transformer for removal of the transformer;
 - pay ENERGEX for additional network services (due to charges not originally estimated) if / when required;
 - pay ENERGEX a late completion charge if the certificate of completion is not lodged within twelve (12) weeks of the nominated materials / plant collection date;
 - pay ENERGEX storage and handling charges if ENERGEX supplied material and plant is not collected within two (2) weeks of the nominated collection date;
 - pay ENERGEX a padmount cancellation fee if a padmount order is placed on the manufacturer and subsequently cancelled;
 - provide and assign to ENERGEX, at no cost, all easements, transformer sites, etc and undertake tree clearing and trimming as required;
 - provide public lighting, where required by the local authority, at no cost to ENERGEX;
 - provide conduits and draw wires for future installation of public lighting to ENERGEX's design in an underground subdivision, at no cost to ENERGEX, if the local authority does not request the initial installation of streetlights;
 - be responsible for all commissioning tests which must be carried out by an accredited contractor or by ENERGEX, as appropriate;
 - provide on completion of the construction a Certificate of Completion and as constructed plans;
 - advise prospective land buyers that ENERGEX will not be responsible for the cost of supply -
 - in an underground estate - beyond the service pillar or
 - in an overhead estate - beyond the cost of a twenty (20) metre standard overhead service
 - be responsible for loss or damage of all material collected from ENERGEX by the developer or their representative, including cable drums until the Certificate of Acceptance has been issued;
 - return excess cable and cable drums supplied by ENERGEX in good condition, to ENERGEX within fifteen (15) working days of being issued and return all unused material (including items of scrap) immediately after completion of construction. Late return of excess cable and drums will incur a penalty of \$100 plus an additional \$50 for every additional 5 working days late. The Certificate of Acceptance will not be issued until all unused material is returned to ENERGEX. This only refers to material originally supplied by ENERGEX;
 - ensure that in estates developed by the DHLGP as standard subdivisions with roads suitable for future ownership by the Local Authority, all cables are to be installed in the cable alignment as detailed by the Local Authority. Pillars are to be installed in the position as specified in ENERGEX's Specification URD. Common areas are to be marked on the drawing. ENERGEX is to be advised of any change in footpath or roadway, alignments that may affect ENERGEX's assets. DHLGP to bear the cost of any work that is deemed necessary, by ENERGEX if, due to alterations in the initial plan ENERGEX's assets are in a private property.
- 4 **Quality Requirements for Design and Construction**
It is a requirement of this agreement that Developers award design and construction contracts to firms which are able to demonstrate to ENERGEX their ability to complete the work in a manner which conforms to ENERGEX specification and standards.
The Developer must comply with the requirement of the Quality Assurance Guidelines for Suppliers in their selection of consultants and contractors.
The field audit fee is based on the lower rating of the consultant or the contractor.
The selection of a consultant/contractor with no rating or an X rating is not acceptable.

ENERGEX Accredited Subdivision and Streetlighting Consultants

Subdivision and Public Lighting Designers

• = Expressed interest in small Subdivision's

Office Location	Consultant	Address	Suburb	State	Post Code	Phone	Fax	Email
Brisbane	• Ampflo Pty Ltd	PO Box 2098	Inala Heights	QLD	4077	(07) 3372 9280	(07) 3372 9805	design@ampflo.com.au
Brisbane	• Ashburner Francis P/L	PO Box 5722	West End	QLD	4560	(07) 3510 8888	(07) 5476 1944	darrenc@ashburnerfrancis.com.au
Brisbane	BCA Consultants	PO Box 7760	East Brisbane	QLD	4169	(07) 3240 3200	(07) 3240 3299	bca@bcaconsultants.com.au
Brisbane	• Cavill & Associates	41 MacKay Terrace	Bardon	QLD	4065	(07) 3368 2932	(07) 3369 2932	rcavill@bigpond.net.au
Brisbane	• Electrical Reclamation Design Services	PO Box 578	Morningside	QLD	4170	(07) 3899 6299	(07) 3899 4299	admin@erds.com.au
Brisbane	• Electro Technical Consultants	21/180 Moggill Rd	Taringa	QLD	4068	(07) 3871 1139	(07) 3871 1159	admin@electro.net.au
Gold Coast	EMF Griffiths Consulting Engineers	Suite 6, 34-36 Glenferrie Dve	Robina	QLD	4226	(07) 5593 2075	(07) 5593 2095	gsmall@emf.com.au
Brisbane	GS & A Technical Services Pty Ltd	PO Box 578	Morningside	QLD	4170	(07) 3899 6244	(07) 3899 6211	gs@gasatech.com.au
Brisbane	Gutteridge, Haskins & Davey	GPO Box 668	Brisbane	QLD	4001	(07) 3316 3748	(07) 3316 3333	ursula.starowicz@ghd.com
Brisbane	• J & P Richardson Industries Pty Ltd	114 Campbell Avenue	Wacol	QLD	4076	(07) 3271 2911	(07) 3271 3623	jpr@jpr.com.au
Logan	J J van der Boor & Associates	PO Box 5137	Daisy Hill	QLD	4127	(07) 3200 8177	(07) 3200 8377	jva@vanderboor.com.au
Brisbane	Jemena Asset Management Pty Ltd	PO Box 6569	Mt Gravatt	QLD	4122	(07) 3323 6105	(07) 3323 6012	alana.davies@jemena.com.au
Caboolture / Underwood	• Lectel Consulting Pty Ltd	1175 Kings St	Caboolture	QLD	4510	(07) 5431 6900	(07) 5431 6999	info@lectel.com.au
Brisbane	Lincolne Scott Australia Pty Ltd	PO Box 2227	Milton	QLD	4064	(07) 3368 6600	(07) 3368 6699	Trent.Halliday@wspinelcolnescott.com
Gold Coast	• MDA Consulting Engineers Pty Ltd	PO Box 1130	Surfers Paradise	QLD	4217	(07) 5592 0222	(07) 5592 0279	info@mdaengineers.com.au
Sunshine Coast	• Millwell Services Pty Ltd	PO Box 807	Maroochydore	QLD	4558	(07) 5443 3607	(07) 5443 3867	millwell@bigpond.net.au
Brisbane	• mp3 Minor Project Power Planning	PO Box 677	Kenmore	QLD	4069	(07) 3878 8601	(07) 3878 8631	mppp@bigpond.com
Brisbane	• NDY Management Pty Ltd	41 Raff Street	Spring Hill	QLD	4000	(07) 3120 6800	(07) 3832 8330	p.parnell@ndy.com
Gold Coast	• Peter Eustace & Associates	PO Box 712	Nerang	QLD	4211	(07) 5596 1425	(07) 5596 1071	eustace@onthenet.com.au
Brisbane	• R J Humphrey & Associates	PO Box 6691	Upper Mt Gravatt	QLD	4122	(07) 3711 7375	(07) 3711 7372	rjhassoc@bigpond.net.au
Brisbane / Sunshine Coast	Robin Russell & Associates	21 Nicholas Street	McDowall	QLD	4053	(07) 3872 5555	(07) 3872 5566	rr@robusr.com.au
Brisbane / Gold Coast	Vemtec Pty Ltd	PO Box 218	Coopers Plains	QLD	4108	1300 798 095	(07) 3036 6953	cbarker@vemco.com.au
Brisbane	Vision Energy Pty Ltd	PO Box 248	Brisbane Markets	QLD	4106	(07) 3372 0909	(07) 3278 3277	sales@vid@infracon.com.au
Gold Coast	VOS Hasthill Consultants	PO Box 1474	Southport	QLD	4215	(07) 5531 2955	(07) 5532 7080	loidfield@vosgroup.com.au
Brisbane	• Wood & Grieve Engineers	Level 2, 15 Leichhardt St	Spring Hill	QLD	4000	(07) 3811 4500	(07) 3811 4600	johan.sadie@wge.com.au
Brisbane	WorleyParsons Services Pty Ltd	Level 3, 60 Albert Street	Brisbane	QLD	4000	(07) 3319 3964	(07) 3221 7791	nathan.norris@worleyparsons.com

Public Lighting Designers Only

Office Location	Consultant	Address	Suburb	State	Post Code	Phone	Fax	Email
Brisbane	Aecom Australia Pty Ltd	PO Box 1307	Fortitude Valley	QLD	4006	(07) 3553 3664	(07) 3553 2050	Adam.watson@aecom.com
Brisbane	Arup Pty Ltd	GPO Box 685	Brisbane	QLD	4001	(07) 3023 6000	(07) 3023 6023	Roy.everett@arup.com.au
Brisbane	Aurecon Australia Pty Ltd	Level 1, 433 Boundary St	Spring Hill	QLD	4004	(07) 3173 8477	(07) 3173 8001	lilywhite@ap.aurecongroup.com
Brisbane	BCC City Design	PO Box 1434	Brisbane	QLD	4000	(07) 3027 4753	(07) 3334 0220	brett.plhney@brisbane.qld.gov.au
Brisbane	Cardno ITC (Qld) Pty Ltd	Locked Bag 4006	Fortitude Valley	QLD	4006	(07) 3877 6900	(07) 3369 9722	Paul.dolg@cardno.com.au
Brisbane	Floth Pty Ltd	PO Box 2231	Fortitude Valley	QLD	4006	(07) 3252 0977	(07) 3252 2499	peands@floth.com.au
Brisbane	Meinhardt (Qld) Pty Ltd	PO Box 10173	Brisbane	QLD	4001	(07) 3018 5000	(07) 3018 5099	Barbara.witowski@meinhardtgroup.com
Gold Coast	Newell Engineering Group Pty Ltd	PO Box 4920	Robina	QLD	4230	(07) 5575 7191	(07) 5575 7292	brett@newellconsulting.com.au
Brisbane	Roadtek Consulting	PO Box 1496	Eagle Farm	QLD	4009	(07) 3632 2824	(07) 3268 1978	Patrece.k.mcvicar@tmr.qld.gov.au
Brisbane	SMEC Australia Pty Ltd	PO Box 5333	West End	QLD	4101	(07) 3230 3600	(07) 3029 6650	Brett.whiteford@smec.com