

# Non Network Expenditure

## AMS – Electricity Distribution Network

**PUBLIC**

<b>Document number</b>	AMS 20-84
<b>Issue number</b>	1
<b>Status</b>	Approved
<b>Approver</b>	John Dyer
<b>Date of approval</b>	3/10/2019

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**ISSUE/AMENDMENT STATUS**

Issue Number	Date	Description	Author	Approved by
1	01/10/19	Initial Document	Jensen Lai	

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### 1 Executive Summary

AusNet Services is a regulated Victorian Distribution Network Service Provider (DNSP) that supplies electrical distribution services to more than 729,000 customers. Our electricity distribution network covers eastern rural Victoria and the fringe of the northern and eastern Melbourne metropolitan area.

As expected by our customers and required by the various regulatory instruments that we operate under, AusNet Services aims to maintain service levels at the lowest possible cost to our customers. To achieve this, we develop forward-looking plans that aim to maximise the present value of economic benefit to all those who produce, consume and transport electricity in the National Electricity Market (NEM).

This report presents our forward-looking investment plans for non-network equipment such as fleet vehicles, tools and property. A significant change in the organisational structure of AusNet Services in the past 12 months is a transfer of the Eastern Region field crews to Downer Engineering. This transfer of employees, vehicles and property has resulted in a decrease in the required CAPEX for the 2022-26 FY regulatory period.

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### 2 Introduction

This report outlines the forecasted expenditure for non-network assets over the 2022-26 FY regulatory period excluding IT expenditure. It breaks down expenditure into categories of property, fleet, tools and general expenditure.

The forecast was built from the bottom up with various components contributing to the calculation. Some components are based on historical expenditure and estimates whilst others are based on known lists of currently held assets as described in the following sections.

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**3 Major Depot and Stations Acquisitions**

There is no forecasted expenditure for Major Depot and Stations Acquisitions.

It is not expected that the CEOT will be relocated during the 2022-26 regulatory period. Relocation may be deferred until the 2027-2031 regulatory period. The Traralgon lease has been novated to Downer Engineering and upon expiry it will be the responsibility of Downer to acquire a new site.

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### 4 Depot and Stations Refurbishment and Upgrades

AusNet Services owns many buildings and properties, and is responsible for their management and maintenance. These buildings include staff workplaces such as depots, and storage locations for plant and equipment. Refurbishment and upgrade expenditure is necessary to ensure existing sites are suitable to support the services delivered from each site. This typically involves items such as:

- Ongoing minor building works such as the installation of partitions
- Purchase and replacement of building capital items such as air conditioners
- Replacement of items such as roofs

Several sites in the Eastern region have now transferred to Downer Engineering. Existing leases have been novated to Downer whilst sites owned by AusNet Services will still require maintenance and upgrades. The following table has been extracted from the spreadsheet "2021 EDPR Land and building Estimate.xlsx". The amounts shown are the calendar year expenditure forecast for each site (in \$k) attributable to the Electricity Distribution network.

It is assumed that expenditure is spread evenly between the first and second half of each calendar year and that the half-yearly rate for 2025 will also apply to the first half of 2026. Summing consecutive half-year values yields the forecast for the 2022 to 2026 financial years.

C.I.C

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### 5 Motor Vehicle and Mobile Plant Fleet

AusNet Services maintains a fleet of vehicles both owned and leased. These vehicles are used to carry out routine work on the network, to respond to network events, to travel between our office sites and to travel to meet stakeholders.

#### 5.1 Fleet register

A list of 497 vehicles currently on AusNet Services' fleet register was extracted. For each vehicle, the list provides a description of the vehicle, the employee to whom it has been allocated, its estimated cost and the date of lease expiry.

#### 5.2 Expenditure profile

The current fleet policy is to purchase vehicles at the cessation of the current leases. A pivot table was used to calculate the expenditure per calendar year for vehicle purchases. Vehicles allocated to employees who have transferred to Downer Engineering in September 2019 have been excluded from the analysis.

It is assumed that expenditure is spread evenly between the first and second half of each calendar year and that the half-yearly rate for 2025 will also apply to the first half of 2026. Summing consecutive half-year values yields the forecast for the 2022 to 2026 financial years.

C.I.C

The volume of vehicles purchased each financial year could also be derived from the fleet extract.

Category	FY22	FY23	FY24	FY25	FY26
Car	37	38	44	58	64
EWP	-	-	1	1	1
Heavy Commercial Vehicle	1	1	2	2	2
Light Commercial Vehicle	12	9	11	19	24
Total	50	48	57	80	91

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**6 BAU Minor Tools and Equipment**

Expenditure in this category is comprised of spending on tools and measurement equipment. The following table was extracted from the worksheet “FY19-25 General Capex Forecast – Delivery”. It is assumed that the forecast expenditure of [ C.I.C ] per year will continue throughout the regulatory period.

C.I.C
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**7 DCAPEX General Equipment**

Other miscellaneous capital items are included in this category. The following table was extracted from the worksheet "FY19-25 General Capex Forecast – Delivery". It is assumed that the forecast expenditure of [C.I.C] per year will continue throughout the regulatory period.

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