

# Draft Decision

## Evoenergy Electricity Distribution Determination 2024 to 2029

(1 July 2024 to 30 June 2029)

### Attachment 13 Classification of services

September 2023

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Inquiries about this publication should be addressed to:

Australian Energy Regulator  
GPO Box 3131  
Canberra ACT 2601  
Tel: 1300 585 165

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## 13 Classification of services

Service classification determines the nature of economic regulation, if any, applicable to specific distribution services. Classification is important to customers as it determines which network services are included in basic electricity charges, the basis on which additional services are sold, and those services we will not regulate. Our decision reflects our assessment of a number of factors, including existing and potential competition to supply these services.

We are required to make a decision on the classification of Evoenergy's distribution services in accordance with the National Electricity Rules (NER).<sup>1</sup> Services are classified as direct control services or negotiated distribution services. Direct control services are further classified as standard control services or alternative control services. The classification that we apply determines the nature of the economic regulation we will apply to those services.

The classification of distribution services must be as set out in the relevant framework and approach (F&A) paper unless we consider that a material change in circumstances justifies departing from that proposed classification.<sup>2</sup> We set out our proposed approach to the classification of distribution services for Evoenergy in our final F&A.<sup>3</sup> We proposed to group Evoenergy's distribution services as follows:

- common distribution services
- network ancillary services
- metering services
- connection services
- public lighting services
- unregulated distribution services.

### 13.1 Draft decision - summary

In its proposal Evoenergy adopts the service classification set out in our final F&A paper.<sup>4</sup> Our draft decision is to retain the classification structure set out in our F&A.<sup>5</sup> Evoenergy also noted in its proposal that it was seeking confirmation of the scope of the AER's approach of approved connection policies largely defining connection services.<sup>6</sup> Evoenergy has subsequently confirmed it has no remaining concerns around the classification of distribution services in our final F&A decision.<sup>7</sup>

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<sup>1</sup> NER, cl. 6.12.1(1).

<sup>2</sup> NER, cl. 6.12.3(b).

<sup>3</sup> AER, [Final framework and approach for Evoenergy for the 2024-29 regulatory control period](#), July 2022.

<sup>4</sup> Evoenergy, [Evoenergy-Regulatory proposal 2024-29](#), January 2023, p.73.

<sup>5</sup> AER, [Final framework and approach for Evoenergy for the 2024-29 regulatory control period](#), July 2022.

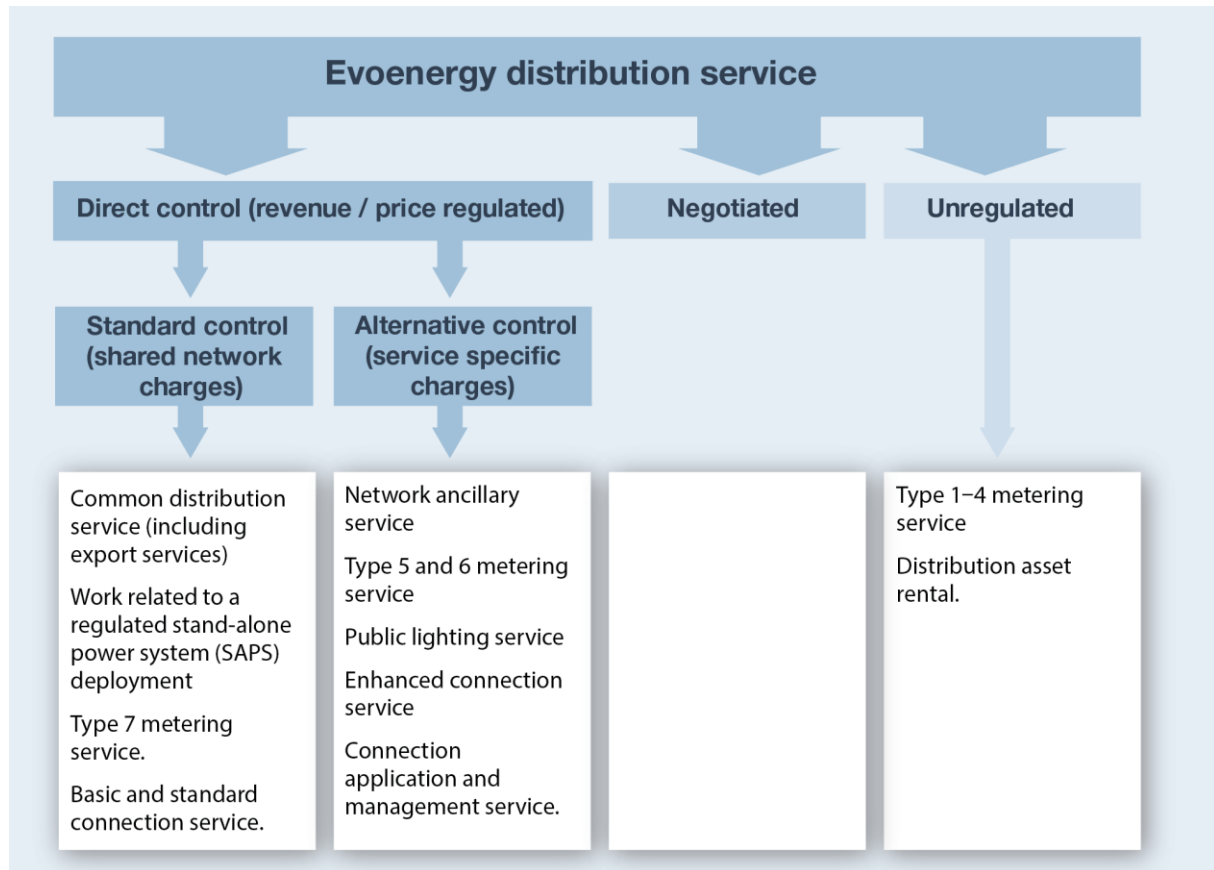
<sup>6</sup> Evoenergy, [Evoenergy 2024-29 regulatory proposal, Appendix C: Classification proposal](#), p. 5.

<sup>7</sup> Evoenergy, Response to AER information request, AER IR#042, received 3 August 2023.

Appendix A sets out our detailed classification decision. No changes were proposed by Evoenergy in its proposal for the 2024–29 period.

Figure 13.1. AER draft decision on 2024–29 service classification for Evoenergy summarises our draft decision on service classification for Evoenergy for the 2024–29 period.

**Figure 13.1. AER draft decision on 2024–29 service classification for Evoenergy**



Source: AER, *Final Framework and approach, Evoenergy for the 2024–29 regulatory control period*, July 2022, p.6.

Our classification of services determines, at a very high level, how costs associated with the services will be recovered. How service charges are set is not determined as part of classification. We discuss that in detail in the control mechanism, alternative control services and metering services attachments of our draft decision.<sup>8</sup>

<sup>8</sup> AER, *Attachment 14 - Control mechanism – Draft decision – Evoenergy distribution determination 2024–29*, September 2023; AER, *Attachment 16 – Alternative Control Services – Draft decision – Evoenergy distribution determination 2024–29*, September 2023; and AER, *Attachment 20, Metering services – Draft decision – Evoenergy distribution determination 2024–29*, September 2023.

## 13.2 Evoenergy’s proposal

In its proposal, Evoenergy has adopted our classification approach set out in our final F&A decision. In line with previous years, Evoenergy does not propose to offer negotiated services.<sup>9</sup>

In our final F&A paper<sup>10</sup> and our Issues paper<sup>11</sup>, we foreshadowed that there are a number of ongoing processes, which may affect the positions outlined in the F&A. This included work being undertaken by the Energy Security Board, the Australian Electricity Market Committee (AEMC) metering review, and our own incentives review.

Evoenergy has raised concerns with the AER in relation to the protracted rate of rollout of advanced (Type 4) metering and the difficulties inherent in forecasting future volumes and costs of the legacy meters.<sup>12</sup> Evoenergy notes that the AER considers that information arising from the AEMC review on metering services could constitute a material change in circumstances in relation to metering services.<sup>13</sup> This issue and others including community batteries and system support services, were discussed throughout the extensive consultation process on Evoenergy’s F&A in our Preliminary position paper<sup>14</sup> and the final F&A.<sup>15</sup> This includes the potential need to address these issues in the final decision given the evolving nature of services from when Evoenergy submitted its proposal to the revised proposal.

## 13.3 AER’s assessment approach

Our assessment approach is guided by the Electricity distribution service classification guideline 2018 (Service classification guideline), which in turn follows the principles for service classification set out in the NER.<sup>16</sup>

A high-level summary of our three-step process for classification of services, includes:

1. We must first determine whether a service is a 'distribution service'. The NER defines a distribution service as a service provided by means of, or in connection with, a distribution system.<sup>17</sup> A distribution system includes a 'distribution network, together with the connection assets associated with the distribution network, which is connected to another transmission or distribution system'.<sup>18</sup>
2. Consider whether economic regulation of the service is necessary. When we do not consider economic regulation is warranted, we will not classify the service.<sup>19</sup> If economic regulation is necessary, we consider whether to classify the service as either a direct

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<sup>9</sup> Evoenergy, *2024–29 Regulatory Proposal*, 31 January 2023, p. 72.

<sup>10</sup> AER, *Final framework and approach for Evoenergy for the 2024-29 regulatory control period*, July 2022.

<sup>11</sup> AER, *Issues Paper - Evoenergy -2024-29 Distribution revenue proposal*, March 2023.

<sup>12</sup> Evoenergy, *Evoenergy 2024-29 regulatory proposal, Appendix C: Classification proposal*, p. 4.

<sup>13</sup> *Ibid.*, p. 4.

<sup>14</sup> AER, *Preliminary position paper – Framework and approach – NSW/ACT/Tas/NT*, April 2022.

<sup>15</sup> AER, *Final framework and approach for Evoenergy for the 2024-29 regulatory control period*, July 2022.

<sup>16</sup> NER cl. 6.2.2.

<sup>17</sup> NER, chapter 10, glossary.

<sup>18</sup> NER, chapter 10, glossary.

<sup>19</sup> NER, cl 6.2.1(a).

control, a negotiated distribution service, or leave it as an unregulated distribution service.

3. When we consider that a service should be classified as direct control, we further classify it as either a standard control or alternative control service.

The detail of our assessment approach for classifying a service is set out in detail at Section 2.1 of our Final F&A for Evoenergy.<sup>20</sup>

### 13.3.1 AEMC Metering review

In our final F&A for Evoenergy<sup>21</sup>, and Issues paper for Evoenergy,<sup>22</sup> we signalled that the outcomes of the AEMC's review may require different classification and price/revenue control settings in our draft or final decisions.

The AEMC's draft report noted that smart meters provide whole-of-system benefits which should be realised as soon as possible.<sup>23</sup> The AEMC's final decision was released on 30 August 2023,<sup>24</sup> and confirms that it will target a 100% replacement of distribution network owned accumulation meters with smart meters offered by other parties by 30 June 2030.<sup>25</sup>

We consider the AEMC's final decision constitutes a material change in circumstances, which justifies departure from the classification of legacy meter services in the F&A.<sup>26</sup> However, due to the proximity of the release of our draft decision, we have not had the opportunity to fully incorporate the findings into this decision. In preparation for the AEMC's decision, we have been working with the affected distribution businesses to identify a proposed approach that ensures customers are not inequitably impacted from rising costs in the transition to realising the benefits the smart meters provide.

### 13.3.2 Interrelationships

In assessing what services we classify, we are setting the basis for what charges can be made for those services. To allow charges to be recovered for standard control services, assets associated with delivering those services are added to the regulatory asset base (RAB). A RAB may also be constructed for the capital costs associated with an alternative control service. There will usually be operating costs associated with the provision of a service as well.

The assets that make up the RAB and operating costs that relate to any particular service, form the bulk of the costs of the distributor's proposal that need to be assessed for recovering revenues through charges for their services. Classification of services will therefore influence all revenue components of our decision.

We set the revenues the distributor may collect from customers to recover their asset financing (capital) and operating costs. That revenue is recovered through tariffs the

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<sup>20</sup> AER, [Final framework and approach for Evoenergy for the 2024-29 regulatory control period](#), July 2022.

<sup>21</sup> AER, [Final framework and approach for Evoenergy for the 2024-29 regulatory control period](#), July 2022.

<sup>22</sup> AER, [Issues Paper - Evoenergy -2024-29 Distribution revenue proposal](#), March 2023.

<sup>23</sup> AEMC, [Review of the regulatory framework for metering services draft report](#), 3 November 2022, pp. ii.

<sup>24</sup> AEMC, [Final Report: Review of the regulatory framework for metering services](#), August 2023.

<sup>25</sup> AEMC [Final Report: Review of the regulatory framework for metering services](#), August 2023.

<sup>26</sup> Clause 6.12.3(b) of the NER

distributor develops to charge to its customers. The regulatory regime establishes incentives such as the Efficiency Benefit Sharing Scheme and the Capital Expenditure Sharing Scheme to encourage the provision of services as efficiently as possible. It also establishes incentives for maintaining reliability (Service target performance incentive scheme) so that cost reductions are not associated with lower reliability. All of these factors interrelate with each other. We must be cognisant of these interrelationships when we make our determinations.

## 13.4 Draft decision - details

Our draft decision is to maintain the classification set out in our final F&A published in July 2022.<sup>27</sup>

This decision was the subject of wide consultation with a range of stakeholders. A summary of the positions on key issues made during this process included:

- We listed activities related to regulated Stand-Alone Power Systems (SAPS) as part of the common distribution service.
- We included exports as a part of the common distribution service, which will not be listed separately.
- We did not list the leasing of excess battery capacity as an unregulated distribution service.
- We did not classify a new separate asset facilitation service for the leasing of excess battery capacity.
- We did not classify or list system support services at this stage, and noted we will consider it further as a material change in circumstance if required.
- We aligned connection services with the terminology used in Chapter 5A of the National Electricity Rules.
- We maintained a revenue cap as the form of control for standard control services.
- We maintained a price cap as the form of control for alternative control services.
  - We have added a margin and tax to the formula for calculating quoted ancillary network services.
- We applied the same incentives as were approved for the current 2019–24 period, including the new customer service incentive scheme.
  - We noted that we intended to apply any outcomes from our incentives review.
- We applied the Expenditure assessment guideline.
- We noted we will apply forecast depreciation.<sup>28</sup>

Our final assessment and positions for our F&A process for the 2024–29 period, together with the reasons for our decision are set out in our F&A paper.<sup>29</sup>

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<sup>27</sup> AER, [Final framework and approach for Evoenergy for the 2024-29 regulatory control period](#), July 2022.

<sup>28</sup> Ibid., p. 2.

<sup>29</sup> Ibid.



## 13.5 Reasons for our draft decision

The NER requires our classification of distribution services to be as set out in our F&A unless a material change in circumstances justifies a change in our classification approach.<sup>30</sup>

Evoenergy has adopted our classification approach set out in our final F&A and no further changes have been made to the classification.

### 13.5.1 Metering services

As discussed at Section 13.3.1 of this decision, our proposed approach and guidance for legacy meter services is set out in Attachment 20 – Metering services. Due to timing of the AEMC’s final decision, this draft decision retains the classification for metering services as alternative control services and socialises costs over a subset of customers. However, our view is that a reclassification of legacy meter services to standard control services is likely to be more appropriate. This approach will result in the benefit of recovering Evoenergy’s metering services costs across a wider customer group during the smart meter transition and maintain compliance with the pricing principles in the NER.<sup>31</sup>

We have engaged with all impacted distribution networks on this proposed approach. However, we have had limited opportunity to engage with other stakeholders to date on the proposed recovery of costs and change in classification. When submitting its revised proposal, we encourage Evoenergy to have regard to and consider the AEMC’s final decision of targeting the 100% replacement by 2030, and anything else relevant.

### 13.5.2 Next Steps

We will work with Evoenergy to assess proposed revised proposal changes above and where they occur and will apply the standard assessment approach used for F&A's in their review, whilst also considering the interrelationships of these events with other classified services.

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<sup>30</sup> NER, cl. 6.12.3(b).

<sup>31</sup> Clause 6.18.5 of the NER.

## Shortened forms

Term	Definition
ACS	alternative control service
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
ASP	Accredited Service Provider
distributor	Distribution Network Service Provider
DSO	general distribution system operator
F&A	Framework and approach
NEM	national electricity market
NER	national electricity rules
NSP	network service provider
SCS	Standard control service
TNSP	transmission network service provider

## Appendix A: AER draft decision on service classification of Evoenergy's distribution services 2024–29<sup>32</sup>

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
<b>Common distribution services —use of the distribution network for the conveyance/flow of electricity (including services relating to network integrity)</b>			
Common distribution services	<p>The suite of activities that includes, but is not limited, to the following:</p> <ul style="list-style-type: none"> <li>• the planning, design, repair, maintenance, construction and operation of the distribution network</li> <li>• the relocation of assets that form part of the distribution network, but not relocations requested by a third party (including a customer)</li> <li>• works to fix damage to the network<sup>33</sup> and recoverable works to fix damage caused by a customer or third party</li> <li>• support for another network during an emergency event</li> <li>• procurement and provision of network demand management activities for distribution purposes</li> <li>• activities related to 'shared asset facilitation' of distributor assets<sup>34</sup></li> </ul>	Standard control	Standard control

<sup>32</sup> The examples and activities listed in the 'Further description' column are not intended to be an exhaustive list and some distributors may not offer all activities listed. Rather the examples provide a sufficient indication of the types of activities captured by the service.

<sup>33</sup> May include the provision of temporary stand-alone power systems to restore supply.

<sup>34</sup> Revenue for these services is charged to the relevant third party and is treated in accordance with the shared asset guideline. 'Shared asset facilitation' refers to administrative costs of providing the unregulated service.

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
	<ul style="list-style-type: none"> <li>• emergency disconnect for safety reasons and work conducted to restore a failed component of the distribution system to an operational state upon investigating a customer outage</li> <li>• rectification of simple customer fault relating to a life support customer or other critical health and safety issues the distributor is able to address</li> <li>• establishment and maintenance of National Metering Identifiers (NMI) in market and/or network billing systems, and other market and regulatory obligations</li> <li>• ongoing inspection of private electrical works (not part of the shared network) required under legislation for safety reasons</li> <li>• bulk supply point metering – activities in relation to monitoring the flow of electricity through the distribution network</li> <li>• work related to a regulated stand-alone power system (SAPS) deployment, operation and maintenance (including fault and emergency repairs)<sup>35</sup>, and customer conversion activities.</li> </ul>		
<b>Network ancillary services—customer and third party initiated services related to the common distribution service</b>			
Design related services	Activities include: <ul style="list-style-type: none"> <li>• provision of design information, design consultation, design rechecking services in relation to connection and relocation works provided contestably</li> <li>• specialist services where the design is non-standard, technically complex or environmentally sensitive and any enquiries related to distributor assets.</li> <li>• the provision of engineering consulting (related to the shared distribution network).</li> </ul>	Alternative control	Alternative control

<sup>35</sup> Includes simple customer fault rectification on generation service of regulated SAPS.

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
Contestable network commissioning and decommissioning	The commissioning and decommissioning of network equipment associated with ASP Level 1 contestable works. Includes equipment checks, tests and activities associated with setting or resetting network protection systems and the updating of engineering systems.	Alternative control	Alternative control
Access permits, oversight and facilitation	<p>Activities include:</p> <ul style="list-style-type: none"> <li>• a distributor issuing access permits or clearances to work to a person authorised to work on or near distribution systems including high and low voltage.</li> <li>• a distributor issuing confined space entry permits and associated safe entry equipment to a person authorised to enter a confined space.</li> <li>• a distributor providing access to switch rooms, substations and the like to a non-Local Network Service Party who is accompanied and supervised by a distributor's staff member. May also include a distributor providing safe entry equipment (fall-arrest) to enter difficult access areas.</li> <li>• facilitation of generator connection and operation of the network.</li> <li>• facilitation of activities within clearances of distributor's assets, including physical and electrical isolation of assets.</li> </ul>	Alternative control	Alternative control
Network related property services	<p>Activities include:</p> <ul style="list-style-type: none"> <li>• Network related property tenure services such as property tenure services related to providing advice on or obtaining: deeds of agreement, deeds of indemnity, leases, easements or other property tenure in relation to property rights associated with connection or relocation.</li> <li>• Conveyancing inquiry services relating to the provision of property conveyancing information at the request of a customer.</li> </ul>	Alternative control	Alternative control

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
Sale of approved materials or equipment	Includes the sale of approved materials/equipment to third parties for connection assets that are gifted back to the DNSP to become part of the shared distribution network.	N/A	Alternative control
Network safety services	<p>Examples include:</p> <ul style="list-style-type: none"> <li>• provision of traffic control and safety observer services by the distributor or third party where required</li> <li>• fitting of tiger tails, possum guards and aerial markers</li> <li>• third party request for de-energising wires for safe approach</li> <li>• high load escorts.</li> </ul>	Alternative control	Alternative control
Rectification works to maintain network safety <sup>36</sup>	<p>Issues identified by the distributor, including but not limited to:</p> <ul style="list-style-type: none"> <li>• work involved in managing and resolving pre-summer bush fire inspection,</li> <li>• customer vegetation defects, or aerial mains.</li> </ul>	Alternative control	Alternative control
Services provided in relation to a Retailer of Last Resort (ROLR) event	<p>The distributor may be required to perform a number of services when a ROLR event occurs. For example:</p> <ul style="list-style-type: none"> <li>• Preparing lists of affected sites and reconciling data with AEMO listings, arranging estimate reads for the date of the ROLR event, preparing final invoices and miscellaneous charges for affected customers, extracting customer data, providing it to the ROLR and handling subsequent enquiries.</li> </ul>	Alternative control	Alternative control
Customer requested network outage or rescheduling of a planned interruption	<p>Examples include:</p> <ul style="list-style-type: none"> <li>• where the customer requests to reschedule a distributor planned interruption and agrees to fund the</li> </ul>	Alternative control	Alternative control

<sup>36</sup> Allows the distributor to conduct rectification works where the customer has failed to do so.

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
	<p>additional cost of performing this distribution service outside of normal business hours.</p> <ul style="list-style-type: none"> <li>customer initiated network outage (e.g. to allow customer and/or contractor to perform maintenance on the customers assets, work close or for safe approach)</li> </ul>		
Attendance at customers' premises to perform a statutory right where access is prevented.	A follow up attendance at a customer's premises to perform a statutory right where access was prevented or declined by the customer on the initial visit. This includes the costs of arranging, and the provision of, a security escort or police escort (where the cost is passed through to the distributor).	Alternative control	Alternative control
Inspection and auditing services	<p>Activities include:</p> <ul style="list-style-type: none"> <li>inspection and reinspection by a distributor, of gifted assets or assets that have been installed or relocated by a third party</li> <li>investigation, review and implementation of remedial actions that may lead to corrective and disciplinary action of a third-party service provider due to unsafe practices or substandard workmanship</li> <li>auditing and inspection of a third-party service provider's work practices in the field</li> <li>re-test at a customer's installation, where the installation fails the initial test and cannot be connected.</li> </ul>	Alternative control	Alternative control
Provision of training to third parties for network related access	Training services provided to third parties that result in a set of learning outcomes that are required to obtain a distribution network access authorisation specific to a distributor's network. Such learning outcomes may include those necessary to	Alternative control	Alternative control

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
	<p>demonstrate competency in the distributor’s electrical safety rules, to hold an access authority on the distributor’s network and to carry out switching on the distributor’s network. Examples of training might include high voltage training, protection training or working near power lines training.</p> <p>Excludes training for internal staff and contractors undertaking Common distribution services.</p>		
Authorisation and approval of third party service providers’ design, work and materials	<p>Activities include:</p> <ul style="list-style-type: none"> <li>• authorisation or re-authorisation of individual employees and subcontractors of third party service providers and additional authorisations at the request of the third party service provider (excludes training services)</li> <li>• acceptance of third party designs and works</li> <li>• assessing an application from a third party to consider approval of alternative material and equipment items that are not specified in the distributor’s approved materials list.</li> </ul>	N/A	Alternative control
Customer or third-party initiated network asset relocations/re-arrangements	Relocation of assets that form part of the distribution network in circumstances where the relocation was initiated by a third party (including a customer).	N/A	Alternative control
Customer requested provision of electricity network data	Data requests by customers or third parties including requests for the provision of electricity network data or consumption data outside of legislative obligations.	Alternative control	Alternative control
Third party funded network alterations or other improvements	Alterations or other improvements to the shared distribution network to enable third party infrastructure (e.g. NBN Co telecommunications assets) to be installed on the shared distribution network. This does not relate to upstream distribution network augmentation.	N/A	Alternative control



Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
<b>Metering services – activities relating to the measurement of electricity supplied to and from customers through the distribution system (excluding network meters)</b>			
Type 1 to 4 metering services	Type 1 to 4 metering installations and supporting services are competitively available.	Not classified	Not classified
Type 5 and 6 meter provision (prior to 1 December 2017)	Recovery of the capital cost of type 5 and 6 metering equipment installed prior to 1 December 2017	Alternative control	Alternative control
Type 7 metering services	Administration and management of type 7 metering installations in accordance with the NER and jurisdictional requirements. Includes the processing and delivery of calculated metering data for unmetered loads, and the population and maintenance of load tables, inventory tables and on/off tables.	Standard control	Standard control
Type 5 and 6 meter maintenance, reading and data services (legacy meters)	Activities include: <ul style="list-style-type: none"> <li>• meter maintenance covers works to inspect, test, maintain metering installations</li> <li>• meter reading refers to quarterly or other regular reading of metering installations including field visits and remotely read meters</li> <li>• metering data services includes, for example: services that involve the collection, processing, storage and delivery of metering data, the provision of data in accordance with regulatory obligations, remote or self-reading at difficult to access sites, and the management of relevant NMI Standing Data in accordance with the NER.</li> </ul>	Alternative control	Alternative control
Auxiliary Other metering services (Type 5 to 7 metering installations)	Activities include: <ul style="list-style-type: none"> <li>• off-cycle meter reads for type 5 and 6 meters</li> <li>• requests to test, inspect or investigate, or alter an existing type 5 or 6 metering installation</li> </ul>	N/A	Alternative control

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
	<ul style="list-style-type: none"> <li>• testing and maintenance of instrument transformers for type 5 and 6 metering purposes</li> <li>• type 5 to 7 non-standard metering services</li> <li>• works to re-seal a type 5 or 6 meter due to customer or third party action (e.g. by having electrical work done on site)</li> <li>• change distributor load control relay channel on request that is not a part of the initial load control installation, nor part of standard asset maintenance or replacement</li> <li>• emergency maintenance of metering equipment not owned by the distributor (contestable meters)</li> </ul>		
Meter recovery and disposal – type 5 and 6 (legacy meters)	Activities include the removal and disposal of a type 5 or 6 metering installation at the request of the customer or their agent, where a permanent disconnection has been requested where it has not been removed and disposed of by the incoming metering provider.	Alternative control	Alternative control
Distributor arranged outage for purposes of replacing meter	At the request of a retailer or metering coordinator provide notification to affected customers and facilitate the disconnection/reconnection of customer metering installations where a retailer planned interruption cannot be conducted.	N/A	Alternative control
<b>Connection services—services relating to the electrical or physical connection of a customer to the network<sup>37</sup></b>			
Basic connection services	Means a <i>connection service</i> <sup>38</sup> related to a <i>connection</i> (or a proposed <i>connection</i> ) between a <i>distribution system</i> and a <i>retail customer's</i> premises (excluding a non-registered	N/A	Standard control

<sup>37</sup> Applies to both NER chapter 5 and 5A connections.

<sup>38</sup> Italics denotes definitions in Chapter 5A of the NER.

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
	<p><i>embedded generator's</i> premises) in the following circumstances:</p> <p>(a) either:</p> <ol style="list-style-type: none"> <li>1) the retail customer is typical of a significant class of <i>retail customers</i> who have sought, or are likely to seek, the service; or</li> <li>2) the <i>retail customer</i> is, or proposes to become, a <i>micro embedded generator</i>; and</li> </ol> <p>(b) the provision of the service involves minimal or no <i>augmentation</i> of the <i>distribution network</i>; and</p> <p>(c) a <i>model standing offer</i> has been approved by the AER for providing that service as a <i>basic connection service</i>.</p>		
Standard connection services	Means a connection service (other than a basic connection service) for a particular class (or sub-class) of connection applicant and for which a model standing offer has been approved by the AER.	N/A	Standard Control
Negotiated connection services	Means a connection service (other than a basic connection service) for which a DNSP provides a connection offer for a negotiated connection contract.	N/A	Standard Control
Enhanced connection services <sup>39</sup>	<p>Other or enhanced connection services provided at the request of a customer or third party that include those that are:</p> <ul style="list-style-type: none"> <li>• provided with higher quality of reliability standards, or lower quality of reliability standards (where permissible) than required by the NER or any other applicable regulatory instruments.</li> <li>• in excess of levels of service or plant ratings required to be provided by the distributor</li> </ul>	N/A	Alternative control

<sup>39</sup> Applies to both NER chapter 5 and 5A connections and includes enhancements for both consumption and export services.

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
	<ul style="list-style-type: none"> <li>large embedded generators (beyond the threshold set out in the connection policy).</li> </ul>		
Connection application and management services	<p>Works initiated by a customer or retailer which are specific to the connection point. This includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>connection application related services</li> <li>de-energisation</li> <li>re-energisation</li> <li>temporary connections (of a size less than the shared network augmentation threshold) as a basic connection service e.g. builder's supply, fetes, etc.</li> <li>remove or reposition connection</li> <li>overhead service line replacement – customer requests the existing overhead service to be replaced (e.g. as a result of a point of attachment relocation). No material change to load</li> <li>protection and power quality assessment</li> <li>supply enhancement (e.g. upgrade from single phase to three phase)</li> <li>customer requested change requiring primary and secondary plant studies for safe operation of the network (e.g. change protection settings)</li> <li>upgrade from overhead to underground service</li> <li>rectification of illegal connections or damage to overhead or underground service cables</li> <li>calculation of a site specific distribution loss factor on request in respect of a generating unit up to 10 MW or a connection point for an end-user with actual or forecast load up to 40 GWh per annum capacity, as per clause 3.6.3(b1) of the NER</li> <li>power factor correction.</li> </ul>	N/A	Alternative control

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
<b>Unregulated distribution services</b>			
Distribution asset rental	Rental of distribution assets to third parties (e.g. office space rental, pole and duct rental for hanging telecommunication wires etc.).	Not classified	Not classified
Contestable metering support roles	Includes metering coordinator (except where the distributor is the initial metering coordinator), metering data provider and metering provider for meters installed or replaced after 1 December 2017.	Not classified	Not classified
Provision of training to third parties for non-network related access	Training programs provided to third parties for non-network related issues	Not classified	Not classified
Type 5 and 6 meter data management to other electricity distributors	The provision of type 5 and 6 meter data management to other electricity distributors.	Not classified	Not classified