

Draft Decision

TasNetworks

Electricity Distribution

Determination 2024 to 2029

(1 July 2024 to 30 June 2029)

Attachment 13

Classification of services

September 2023

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Contents

| | |
|---|-----------|
| 13 Classification of services | 4 |
| 13.1 Draft decision – summary | 4 |
| 13.2 TasNetworks’ proposal | 7 |
| 13.3 AER’s assessment approach | 8 |
| 13.4 Draft decision - details | 9 |
| 13.5 Reasons for our draft decision | 9 |
| Shortened forms | 12 |
| Appendix A: AER draft decision on service classification of TasNetworks distribution services 2024–29 | 13 |

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 TasNetworks' distribution services in accordance with the National Electricity Rules (NER).¹ First we decide whether a service should be regulated or unregulated. Regulated 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.² We set out our proposed approach to the classification of distribution services for TasNetworks in our F&A³. We proposed to group TasNetworks' distribution services as follows.

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

TasNetworks proposed to adopt the service classification as described in the AER's final F&A with one exception, proposing to include an additional service 'extensions', with the service classified as a standard control service. However, in the 2024-29 F&A for TasNetworks, the AER made an unintended change to TasNetworks service classification by classifying "extensions" as an alternative Control Service rather than a Standard Control Service. TasNetworks now proposes to adopt the service classification as described in our draft decision. Please see 13.2 below.

TasNetworks does not propose to offer any negotiated services.

13.1 Draft decision – summary

Our draft decision is to maintain the classification set out in our final F&A published in July

¹ NER, cl. 6.12.1(1).

² NER, cl. 6.12.3(b).

³ AER, [Final framework and approach for TasNetworks for the 2024-29 regulatory control period](#), July 2022.

2022⁴, with the exceptions of classifying each component of standard and complex connection services separately and including ‘extensions’ as a separate service group classified as a standard control service.

In its proposal TasNetworks adopts most of the services classification set out in our final F&A paper.⁵ However, TasNetworks proposed to classify ‘extension’ services as standard control services, rather than alternative control services. Our draft decision is to classify each component of standard and complex connection services separately to avoid confusion. That is to classify:

- Premises connection as Alternative Control Services
- Extension asset as Standard Control Services as per TasNetworks’ proposal
- Shared network augmentation charge as Standard Control Services as per TasNetworks’ proposal.

A separate ‘extension’ group, being an enhancement required to connect a power line or facility outside the present boundaries of the distribution network, is classified as Standard Control Services.

We consider the ‘material change in circumstances’ threshold has been met for a change in classification in this draft decision because:

- Our F & A classification grouped connection services into high level groups⁶ to align them with the terminology and descriptions in Chapter 5A of the NER.⁷ This is a departure from the current jurisdictional approach used in Tasmania.
- TasNetworks submitted that the broad classification outlined in the F&A did not reflect its circumstances:⁸
 - Classifying extension connection service as alternative control removed TasNetworks’ ability to apply an incremental revenue rebate against the capital contributions customers make towards the cost of these services, thus making it inconsistent with the connection charge guideline and its connection policy.⁹
 - Furthermore, the above broad grouping of standard connection services will not allow TasNetworks to offset for the Incremental Revenue Rebate, as required by our connection charge guidelines,¹⁰ against the capital contributions made by customers towards the cost of shared upstream

⁴ AER, [Final framework and approach for TasNetworks for the 2024-29 regulatory control period](#), July 2022.

⁵ AER, [Final framework and approach for TasNetworks for the 2024-29 regulatory control period](#), July 2022.

⁶ Basic connections; Standard connections; Complex connections; Connection augmentation services; Negotiated connections,

⁷ AER, *Framework and approach TasNetworks distribution and transmission (Tasmania) Regulatory control period commencing 1 July 2024*, July 2022, p. 30.

⁸ Power and Water Corporation, *email to AER re: Confirmation of acceptance of revised service classification (IR#025, due 31/7/23)*, 11 August 2023; Power and Water Corporation, *email to AER re: information request PWC IR#012 – [Connection Policy] – 20230428– [PUBLIC] - AER comment - Power and Water Connection Policy 2024-2029 - 25 May 2023 comments*, 8 June 2023.

⁹ TasNetworks, *Combined Proposal 2024-2029 Attachment 15 Classification of services*, January 2023, p. 1.

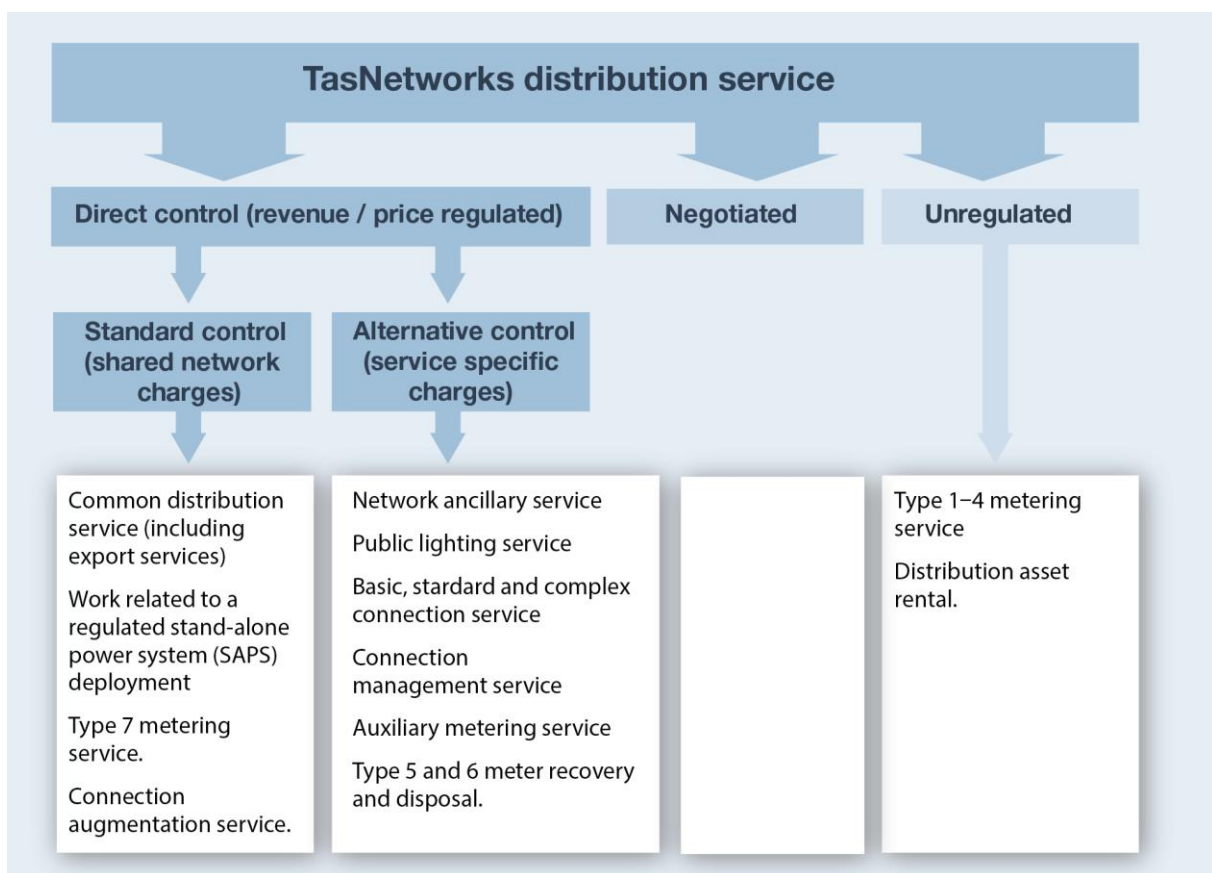
¹⁰ AER, *Connection charge guidelines for electricity customers Under chapter 5A of the National Electricity Rules Final version 3.0*, April 2023, pp. 1–3.

network augmentation, which should be classified as standard control services.

- As a result, we recognise that the connection services groups as defined in the F&A would not be consistent with the circumstances and current jurisdictional approach used in Tasmania.¹¹ We consider the information provided by TasNetworks regarding the unsuitability of an alternative control classification for extension services constitutes material change in circumstances, which justifies the change to the service classification table. In any event, it is appropriate to classify extension services as standard control services for the reasons discussed in this attachment.

Appendix A sets out our detailed classification decision.

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



Source: AER, *Final Framework and approach for TasNetworks distribution and transmission 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

¹¹ AER, *Framework and approach TasNetworks distribution and transmission (Tasmania) Regulatory control period commencing 1 July 2024*, July 2022.

classification. We discuss that in detail in the control mechanism, alternative control services and metering services attachments.¹²

13.2 TasNetworks' proposal

TasNetworks proposed to include an additional service, 'extensions', with the services classified as a standard control service. This is an additional service grouping to that in TasNetworks' 2019–24 period.

This departure from the proposed final F&A for the 2024–29 period will provide clarity and continuity regarding the treatment of extension services for connection services (instead of treating them as alternative control services within the standard and complex connection service groupings, as was the case due to oversight in the F&A) and ensure consistency with TasNetworks' Distribution Connection Pricing Policy.

In developing its Combined Proposal for the 2024–29 period, TasNetworks engaged with stakeholders under the assumption that extension services will continue to be classified as a standard control service.

TasNetworks suggested that classifying 'extensions' as an alternative control service (ACS) will have detrimental customer impacts, as ACS classification does not allow an offset for the Incremental Revenue Rebate against the capital contributions made by customers towards the cost of an extension service. Therefore, connecting customers would be required to pay an amount greater than the incremental costs incurred by the remaining customer base. TasNetworks' proposal to continue classifying service extensions as standard control services will avoid this outcome.

The proposed new service classifications for 'extension' by TasNetworks is shown in Table 13-1.¹³

Table 13-1 - proposed new classification for 'extension' connection related services by TasNetworks

| Service group / activities included | Further description | Current classification 2019–24 | Proposed classification 2024–29 |
|--|---|--------------------------------|---------------------------------|
| Connection services — services relating to the electrical or physical connection of a customer to the network | | | |
| Extension | Extension is an enhancement required to connect a power line or facility outside the present boundaries of the distribution network owned or operated by a Network Service Provider | Standard control | Standard control |

¹² AER, *Attachment 14 - Control mechanism – Draft decision – TasNetworks distribution determination 2024–29*, September 2023; AER, *Attachment 16 – Alternative Control Services – Draft decision – TasNetworks distribution determination 2024–29*, September 2023; and AER, *Attachment 20, Metering services – Draft decision – TasNetworks distribution determination 2024–29*, September 2023.

¹³ *ibid*

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.¹⁴

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.¹⁵ A distribution system is defined as including a 'distribution network, together with the connection assets associated with the distribution network, which is connected to another transmission or distribution system'.¹⁶
2. We must consider whether economic regulation of the service is necessary. When we do not consider economic regulation is warranted, we will not classify the service. If economic regulation is necessary, we consider whether to classify the service as either a direct 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 TasNetworks.¹⁷

13.3.1 AEMC Metering review

The AEMC has conducted a review into the regulatory framework for metering services, initiated in December 2020, with its final report published in August 2023. In our final F&A for the TasNetworks¹⁸, 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.¹⁹ The AEMC's final decision was released on 30 August 2023,²⁰ 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 2030.²¹

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.²² 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

¹⁴ The principles for service classification are set out in NER, cl. 6.2.2.

¹⁵ NER, chapter 10, glossary.

¹⁶ NER, chapter 10, glossary.

¹⁷ AER, [Final framework and approach for TasNetworks for the 2024-29 regulatory control period](#), July 2022.

¹⁸ AER Final Framework and approach for TasNetworks for the 2024-29 Regulatory control period, July 2022.

¹⁹ AEMC, *Review of the regulatory framework for metering services draft report*, 3 November 2022, pp. ii.

²⁰ AEMC, [Final Report: Review of the regulatory framework for metering services](#), August 2023.

²¹ AEMC *Final Report: Review of the regulatory framework for metering services*, August 2023.

²² This is a condition that must be met to depart from the service classification in our F&A: NER, cl. 6.12.3(b).

ensures customers are not inequitably impacted from rising costs in the transition to realising the benefits the smart meters provide.

13.4 Draft decision - details

Our draft decision is to maintain the classification set out in our final F&A published in July 2022, with one exception, to classify each component of standard and complex connection services as shown in Attachment A.²³

This F&A has been the subject of wide consultation with a range of stakeholders and has also dealt with complex and sometimes contentious issues. Through this extensive process, we have arrived at the below positions on key issues:

- 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 NER.
- 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.²⁴

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.²⁵ With

²³ AER, [Final framework and approach for TasNetworks for the 2024-29 regulatory control period](#), July 2022.

²⁴ Ibid., p. 2.

²⁵ NER, cl. 6.12.3(b).

the exception of modifications to connection services discussed below, the classification of services remains as set out in the F&A.

We agree with TasNetworks' proposal that the service classification should not result in detrimental impacts on new connecting customers. However, we consider it necessary to improve the clarity on how connection charges are applied for each type of connection services. Our reasons are explained below.

In the regulatory proposal, TasNetworks proposed classifications for:²⁶

- “basic”, “standard” and “complex” connection services as Alternative Control Services.
- in order to include the Incremental Revenue arising from the new connection as a rebate against the capital contributions levied on the customers towards the cost of an extension service and the shared network augmentation cost, “connection augmentation services” and “extensions” as Standard Control Services.

Since all connection services include the following three components, a blanket statement of classifying “basic”, “standard” and “complex” connection services as Alternative Control Services could be mis-interpreted that all the three above charge components are under the category of Alternative Control Services.:

- Premises connection – for the new network asset necessary to connect a person's home, business, or other premises to the electricity distribution network, such as the overhead service mains to connect a house's point of attachment to the nearby power pole. Premises connections are mostly situated within the customers' properties and only serve the specific customer.
- Extension asset – for situations where there is no suitable network asset near the new customer, it is necessary to extend the network assets to the boundary of the new customer's premises. In essence, the extension asset provides a link between the existing network and the premises connection. The extension asset could be used later on, where appropriate, to also connect other subsequent customers.

If the extension asset is used to also supply other customers within 7 years of the initial connection, the original customer is entitled to a pioneer scheme compensation from the subsequent customers using the extension asset.²⁷

- Shared network augmentation charge on a \$/kVA demand basis – to account for the share of the upstream network cost due to the new connection. This is charged on a dollar per kVA demand basis. The charge represents the cost for upstream augmentation either immediately or in the future due to the additional demand of the new connection.

Hence, we consider necessary to classify each component of connection services separately to avoid confusion. That is to classify:

²⁶ TasNetworks, *Combined Proposal 2024-2029, Attachment 15 Classification of services*, pp 10-11.

²⁷ Under cl. 5A.E.3(c) of the NER, our connection charge guidelines must, inter alia, describe a method for calculating the amount of a refund of connection charges for connection assets paid by a customer, where those assets are used to connect other premises within 7 years of their installation.

- Premises connection as Alternative Control Services
- Extension asset as a separate service group, being Standard Control Services as per TasNetworks' proposal

Shared network augmentation charge as Standard Control Services as per TasNetworks' proposal.

13.5.1 Metering services

Our proposed approach and guidance for legacy meter services is set out in Attachment 20 – Metering services. Due to the 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 TasNetworks' metering services costs across a wider customer group during the smart meter transition and maintain compliance with the pricing principles in the NER.²⁸

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 TasNetworks 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 TasNetworks 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.

²⁸ The network pricing principles are set out in, cl. 6.18.5 of the NER

Shortened forms

| Term | Definition |
|------|---------------------------------------|
| ACS | alternative control service |
| AEMO | Australian Energy Market Operator |
| AER | Australian Energy Regulator |
| NER | national electricity rules |
| DNSP | Distribution network service provider |
| SAPS | Stand-alone power system |
| SCS | standard control service |

Appendix A: AER draft decision on service classification of TasNetworks distribution services 2024–29²⁹

| Service group / Activities included | Further description | Current classification 2019–24 | Proposed classification 2024–29 |
|---|---|--------------------------------|---------------------------------|
| Common distribution services — use of the distribution network for the conveyance/flow of electricity (including services relating to network integrity) | | | |
| Common distribution services | <p>The suite of activities that includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> • The use of TasNetworks' distribution network to convey electricity • the planning, design, repair, maintenance, construction and operation of the distribution network • the relocation of assets that form part of the distribution network but not relocations requested by a third party (including a customer) • works to fix damage to the network³⁰ (including recoverable works caused by a customer or third party) • support for another network during an emergency event • procurement and provision of network demand management activities for distribution purposes • activities related to 'shared asset facilitation' of distributor assets³¹ | Standard control | Standard control |

²⁹ 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.

³⁰ May include the provision of temporary stand-alone power systems to restore supply.

³¹ 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"> • emergency disconnections for safety reasons and work conducted to restore a failed component of the distribution system to an operational state upon investigating a customer outage • bulk supply point metering – activities relating to monitoring the flow of electricity through the distribution network. • neutral integrity test – to identify the source of a fault following detection from a network issued device. Rectification work to render the network safe is limited to distribution network infrastructure. • rectification of simple customer fault relating to a life support customer or other critical health and safety issues the distributor is able to address • rectification of simple customer fault where: <ul style="list-style-type: none"> – the need for rectification work is discovered in the course of the provision of distribution services, – the work performed is the minimum required to restore safe supply, and – the work can be performed in less than thirty minutes and does not normally require a second visit. • establishment and maintenance of National Metering Identifiers (NMIs) in market and/or network metering systems, and other market and regulatory obligations • inspection of private electrical works (not part of the shared network) required under legislation for safety reasons • private pole inspection as directed by the Tasmanian Government. • supply abolishment of basic connection • work related to a regulated stand-alone power system (SAPS) deployment, operation and maintenance (including | | |

| Service group / Activities included | Further description | Current classification 2019–24 | Proposed classification 2024–29 |
|--|---|--------------------------------|---------------------------------|
| | <p>fault and emergency repairs³²), and customer conversion activities.</p> <p>Such services do not include a service that has been separately classified including any activity relating to that service.</p> | | |
| Network Ancillary services — customer and third-party initiated services related to the common distribution service | | | |
| Design related services | <p>Activities include:</p> <ul style="list-style-type: none"> • provision of design information, design rechecking services in relation to connection and relocation works provided contestably. • specialist services (which may involve design related activities and oversight/inspections of works), where the design or construction is non-standard, technically complex or environmentally sensitive and any enquiries related to distributor assets. • the provision of engineering consulting (related to the shared distribution network). | Alternative control | Alternative control |
| Access permits, oversight and facilitation | <p>Activities include:</p> <ul style="list-style-type: none"> • issuing access permits or clearances to work to a person authorised to work on or near distribution systems including high and low voltage. • issuing confined space entry permits and associated safe entry equipment to a person authorised to enter a confined space • providing access to switch rooms, substations and other network equipment to a non- Local Network Service Provider party who is accompanied and supervised by a TasNetworks staff member. May also include a distributor | Alternative control | Alternative control |

³² 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 |
|---|--|--------------------------------|---------------------------------|
| | <p>providing safe entry equipment (fall-arrest) to enter difficult access areas.</p> <ul style="list-style-type: none"> • facilitation of generator connection and operation of the network. • facilitation of activities within clearances of distributor's assets, including physical and electrical isolation of assets. | | |
| Notices of arrangement and completion notices | <p>Examples include:</p> <ul style="list-style-type: none"> • Work of an administrative nature where a local council requires evidence in writing from the distributor that all necessary arrangements have been made to supply electricity to a development. This includes receiving and checking subdivision plans, copying subdivision plans, checking and recording easement details, assessing supply availability, liaising with developers if errors or changes are required and preparing notifications of arrangement. • Provision of a completion notice (other than a notice of arrangement). This applies where the distributor is requested to provide documentation confirming progress of work. Usually associated with discharging contractual arrangements (e.g. progress payments) to meet contractual undertakings. | Alternative control | Alternative control |
| Network related property services | <p>Activities include:</p> <ul style="list-style-type: none"> • Network related property 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. • Conveyancing inquiry services relating to the provision of property conveyancing information at the request of a customer. • Responding to enquiries from planning authorities to assess the works TasNetworks will need to undertake to give effect to the planning authority's planning applications. | Alternative control | Alternative control |
| Network safety services | Examples include: | Alternative control | Alternative control |

| Service group / Activities included | Further description | Current classification 2019–24 | Proposed classification 2024–29 |
|---|---|--------------------------------|---------------------------------|
| | <ul style="list-style-type: none"> • provision of traffic control and safety observer services by the distributor or third party where required. • fitting of visual warning devices, such as tiger tails, and aerial markers • fitting of wildlife mitigation including possum guards and bird flappers • third party requests for de-energising wires for safe approach • high load escorts. • customer requested network inspection undertaken to determine the cause of a customer outage where there may be a safety and or reliability impact on the network or related component and associated works to rectify a customer caused impact on the network.³³ | | |
| Network tariff change requests | <p>Activities including a retailer's customer or retailer requesting an alteration to an existing network tariff (for example, a change from a Block Tariff to a Time of Use tariff), requiring the distributor to conduct tariff and load analysis to determine whether the customer meets the relevant tariff criteria.</p> <p>Where a distributor processes changes in its IT systems to reflect a tariff change request.</p> | Alternative control | Alternative control |
| Services provided in relation to a Retailer of Last Resort (ROLR) event | <p>The distributors may be required to perform a number of services as a distributor when a ROLR event occurs. For example:</p> <p>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</p> | Alternative control | Alternative control |

³³ An ACS charge is not applicable where it is determined the customer outage was caused by a fault on the network.

| Service group / Activities included | Further description | Current classification 2019–24 | Proposed classification 2024–29 |
|--|--|--------------------------------|---------------------------------|
| | charges for affected customers, extracting customer data, providing it to the ROLR and handling subsequent enquiries. | | |
| Customer requested network outage or rescheduling of a planned interruption | <p>Examples include:</p> <ul style="list-style-type: none"> 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). where a customer requests the rescheduling of a planned interruption and agrees to fund the additional cost of performing this distribution service outside of normal business hours or at an alternative agreed time. | Alternative control | Alternative control |
| 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. | Alternative control | Alternative control |
| Inspection and auditing services | <p>Activities include:</p> <ul style="list-style-type: none"> inspection of and reinspection of gifted assets or assets that have been installed or relocated by a third party 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 auditing of a third party service provider's work practices in the field re-test at a customer's installation, where the installation fails the initial test and cannot be connected. inspection of private electrical wiring work undertaken by an electrical contractor inspection of privately owned low voltage or high voltage network infrastructure (i.e. privately owned distribution infrastructure located before the meter). | Alternative control | Alternative control |

| Service group / Activities included | Further description | Current classification 2019–24 | Proposed classification 2024–29 |
|---|---|--------------------------------|---------------------------------|
| 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 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. | Alternative control | Alternative control |
| Authorisation and approval of third party service providers' design, work and materials | <p>Activities include:</p> <ul style="list-style-type: none"> • 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 providers (excludes training services) • acceptance of third party designs and works • 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. | N/A | Alternative control |
| Security lights | <p>Provision, installation, operation, and maintenance of equipment mounted on distribution equipment used for security services, e.g. nightwatchman lights.</p> <p>Note: excludes connection services.</p> | Alternative control | Alternative control |
| Customer initiated network asset relocations/re-arrangements | Relocation of assets that form part of the distribution network in circumstances where the relocation is initiated by a third party (including a customer). | N/A | Alternative control |
| Customer requested provision of electricity network data | Provision of data requested by customers or third parties including requests electricity network data or consumption data outside of legislative obligations. | N/A | Alternative control |

| Service group / Activities included | Further description | Current classification 2019–24 | Proposed classification 2024–29 |
|--|--|--------------------------------|---------------------------------|
| Third party funded network alterations or other improvements | <p>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.</p> <p>This does not relate to upstream distribution network augmentation.</p> | N/A | Alternative control |
| Metering services — activities relating to the measurement of electricity supplied to and from customers through the distribution system (excluding network meters) | | | |
| Type 1 to 4 metering services | Type 1 to 4 metering installations ³⁴ and supporting services are competitively available. | Not classified | Not classified |
| Type 5 and 6 maintenance, reading and data services (legacy meters) | <p>Activities include:</p> <ul style="list-style-type: none"> • Testing, inspecting, investigating, maintaining or altering existing type 5 or 6 metering installations or instrument transformers. • Quarterly or other regular reading of metering installations including field visits and remotely read meters. • Metering data services, including the collection, processing, storage and delivery of metering data, the provision of metering data in accordance with regulatory obligations, remote or self-reading at difficult to access sites, and the management of related NMI Standing Data in accordance with the NER. | Alternative control | Alternative control |
| Auxiliary metering services (Type 5 to 7 metering installations) | <p>Activities include:</p> <ul style="list-style-type: none"> • off-cycle meter reads for type 5 and 6 meters including move in and move out meter reading (type 5 and 6 meters) • type 5 meter final read on removed type 5 metering equipment | Alternative control | Alternative control |

³⁴ Includes the instrument transformer, as per the definition of a 'metering installation' in Chapter 10 of the NER.

| Service group / Activities included | Further description | Current classification 2019–24 | Proposed classification 2024–29 |
|---|--|--------------------------------|---------------------------------|
| | <ul style="list-style-type: none"> requests to test, inspect and investigate, or alter an existing type 5 or 6 metering installation testing and maintenance of instrument transformers for type 5 and 6 metering purposes and type 5 to 7 non-standard metering services 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) changes to 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 emergency maintenance of metering equipment not owned by the distributor (contestable meters). | | |
| Type 7 metering services | Administration and management of type 7 metering installations in accordance with the NER and jurisdictional requirements. | Standard control | Standard control |
| Meter recovery and disposal – type 5 and 6 (legacy meters) | Activities include the removal and disposal of a type 5 or 6 metering installation. | N/A | Alternative control |
| Distributor arranged outage for purposes of replacing metering | 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 |
| Connection services — services relating to the electrical or physical connection of a customer to the network³⁵ | | | |
| Basic connection services | Means a <i>connection service</i> ³⁶ related to a connection (or a proposed connection) between a <i>distribution system</i> and a | N/A | Alternative control |

³⁵ Applies to both NER chapter 5 and 5A connections

³⁶ Italics denotes terms defined in the NER or the NEL.

| Service group / Activities included | Further description | Current classification 2019–24 | Proposed classification 2024–29 |
|-------------------------------------|---|--------------------------------|---|
| | <p>retail customer’s premises (excluding a non-registered embedded generator’s premises) in the following circumstances:</p> <p>(a) either:</p> <ol style="list-style-type: none"> 1) the <i>retail customer</i> is typical of a significant class of retail customers who have sought, or are likely to seek, the service; or 2) the retail customer is, or proposes to become, a <i>micro embedded generator</i>; and <p>(b) the provision of the service involves minimal or no <i>augmentation, or extension, of the 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 | <p>Means a <i>connection service</i> related to a connection (or a proposed connection) between a distribution system and a retail customer’s premises (excluding a non-registered embedded generator’s premises) in the following circumstances:</p> <p>(a) either:</p> <ol style="list-style-type: none"> 1) the <i>retail customer</i> is typical of a significant class of retail customers who have sought, or are likely to seek, the service; or 2) the retail customer is, or proposes to become, a <i>micro embedded generator</i>; and <p>(b) the provision of the service involves <i>extension of the distribution network but not augmentation</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> | N/A | <p>Premises connection cost - Alternative control</p> <p>Extension - Standard Control</p> <p>Shared network augmentation - Standard Control</p> |

| Service group / Activities included | Further description | Current classification 2019–24 | Proposed classification 2024–29 |
|--|--|--------------------------------|---|
| Complex connection service | <p>Means a <i>connection service</i> related to a connection (or a proposed connection) between a distribution system and a retail customer’s premises in the following circumstances:</p> <p>(a) requires either an extension or augmentation and either:</p> <ol style="list-style-type: none"> 1) the <i>retail customer</i> seeking the service requires the supply of electricity at high voltage or, if connected at low voltage, has maximum demand in excess of 70 kVA (or 25 kVA where a connection applicant’s installation is supplied from the Single Wire Earth Return network); or 2) the <i>retail customer</i> is, or proposes to become, an <i>embedded generator</i>; or 3) the <i>retail customer operates, or proposes to operate energy storage with the capacity to function as an embedded generator or community battery.</i> | N/A | <p>Premises connection cost – Alternative control</p> <p>Extension - Standard Control</p> <p>Shared network augmentation - Standard Control</p> |
| Connection augmentation services | Any shared network enlargement/enhancement undertaken by a distributor which is not an extension. | Standard control | Standard control |
| Extension | Extension is an enhancement required to connect a power line or facility outside the present boundaries of the distribution network owned or operated by a Network Service Provider | Standard control | Standard control |
| Negotiated connection services ³⁷ | Means a <i>connection service</i> (other than a <i>basic connection service</i>) for which a DNSP provides a connection offer for a negotiated <i>connection contract</i> . | N/A | Alternative control |
| Enhanced connection services ³⁸ | <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"> • 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 | N/A | Alternative control |

³⁷ Applies to both NER chapter 5 and 5A connections.

³⁸ 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 |
|---|--|--------------------------------|---------------------------------|
| | instruments. This includes reserve feeder installation and maintenance. <ul style="list-style-type: none"> in excess of levels of service or plant ratings required to be provided by the distributor. | | |
| Connection application and management services ³⁹ | Works initiated by a customer or retailer which are specific to the connection point. This includes, but is not limited to: <ul style="list-style-type: none"> connection application related services connection point management services. | N/A | Alternative control |
| Connection administration services (formerly Site establishment services) | Activities include, but not limited to: <ul style="list-style-type: none"> Connection establishment, including liaison with the Australian Energy Market Operator (AEMO) or market participants for the purpose of establishing national metering identifiers (NMIs) in market systems, for new premises or for any existing premises for which AEMO requires a new NMI and for validation of and updating network load data. This includes processing and assessing requests for a permanently unmetered supply. Alteration, updating and maintenance of NMIs and their associated data in market systems. NMI extinction, processing requests by customers or their agents for permanent disconnection and the extinction of a NMI in market systems. Confirming or correcting metering or network billing information in market B2B or network billing systems, due to insufficient or incorrect information received from retailers or metering providers. | Alternative control | Alternative control |

³⁹ Applies to both NER chapter 5 and 5A connections.

| Service group / Activities included | Further description | Current classification 2019–24 | Proposed classification 2024–29 |
|---|---|--------------------------------|---------------------------------|
| Construction/augmentation of private assets as provider of last resort ⁴⁰ | Specialist electrical contracting services provided under provider of last resort conditions. Activities include: <ul style="list-style-type: none"> private pole installation construction of private power lines augmentation of existing private assets.⁴¹ | N/A | Alternative control |
| Community network upgrades | Network enhancements requested by a collective of customers. Includes activities related to community requests to augment the network to enable higher PV exports, supply high levels of electric vehicle charging or underground existing overhead power lines for reasons of visual amenity. | N/A | Alternative control |
| Public lighting — lighting services provided in connection with a distribution network | | | |
| Public lighting | Includes the provision, construction and maintenance of public lighting and new/emerging public lighting technology. | Alternative control | Alternative control |
| Unregulated distribution services | | | |
| Distribution asset rental | Rental of distribution assets to third parties (e.g. office space rental, pole and duct rental for 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 |

⁴⁰ Provision of these services is subject to the set of controls outlined on the TasNetworks website.

⁴¹ Includes rectification of private asset defects

| Service group / Activities included | Further description | Current classification 2019–24 | Proposed classification 2024–29 |
|--|---|--------------------------------|---------------------------------|
| Provision of training to third parties for non-network related issues | Training programs provided to third parties for non-network related issues. | Not classified | Not classified |
| Non-distribution services — Although this table relates to distribution services, we have included the below non-distribution services for clarity. | | | |
| Operation and maintenance of isolated distribution networks not part of the NEM | The operation and maintenance of third party owned distribution networks not physically connected to the TasNetworks distribution network. e.g. Hydro Tasmania. | Non-distribution service | Non-distribution service |