

# Final Decision

**Power and Water Corporation  
Electricity Distribution  
Determination 2024 to 2029  
(1 July 2024 to 30 June 2029)**

**Attachment 13  
Classification of services**

**April 2024**

© Commonwealth of Australia 2024

This work is copyright. In addition to any use permitted under the *Copyright Act 1968* all material contained within this work is provided under a Creative Commons Attributions 3.0 Australia licence with the exception of:

- the Commonwealth Coat of Arms
- the ACCC and AER logos
- any illustration diagram, photograph or graphic over which the Australian Competition and Consumer Commission does not hold copyright but which may be part of or contained within this publication.

The details of the relevant licence conditions are available on the Creative Commons website as is the full legal code for the CC BY 3.0 AU licence.

Inquiries about this publication should be addressed to:

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

AER reference: AER212492

#### **Amendment record**

<b>Version</b>	<b>Date</b>	<b>Pages</b>
1	30 April 2024	14

## List of attachments

This attachment forms part of the AER's final decision on the distribution determination that will apply to Power and Water Corporation for the 2024–29 period. It should be read with all other parts of the final decision.

As a number of issues were settled at the draft decision stage or required only minor updates, we have not prepared all attachments. The final decision attachments have been numbered consistently with the equivalent attachments to our draft decision. In these circumstances, our draft decision reasons form part of this final decision.

The final decision includes the following documents:

Overview

Attachment 1 – Annual revenue requirement

Attachment 2 – Regulatory asset base

Attachment 4 – Regulatory depreciation

Attachment 5 – Capital expenditure

Attachment 6 – Operating expenditure

Attachment 7 – Corporate income tax

Attachment 13 – Classification of services

Attachment 14 – Control mechanisms

Attachment 15 – Pass through events

Attachment 16 – Alternative control services

Attachment 18 – Connection policy

## Contents

List of attachments .....	iii
A AER final decision on service classification of Power and Water Corporation’s distribution services 2024-29 .....	1

## A AER final decision on service classification of Power and Water Corporation’s distribution services 2024-29<sup>1</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	The suite of activities that includes, but is not limited to, the following: <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>2</sup> (including recoverable works caused by a customer or third party)</li> <li>• support for another distributor during an emergency event</li> <li>• procurement and provision of network demand management for distribution purposes</li> <li>• training internal staff and contractors undertaking direct control services</li> <li>• activities related to ‘shared asset facilitation’ of distributor assets<sup>3</sup></li> </ul>	Standard control	Standard control

<sup>1</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>2</sup> May include the provision of temporary stand-alone power systems to restore supply.

<sup>3</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. It does not refer to the costs associated with providing the unregulated service itself.

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>• bulk supply metering – activities relating to monitoring the flow of electricity through the distribution network.</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>• Site establishment services including:                             <ul style="list-style-type: none"> <li>– liaising with NT Market Operator (NTESMO) or market participants for the purpose of establishing NMIs in market systems, for new premises or for any existing premises for which market rules or NTESMO require a new national metering identifier (NMI) and for validation of and updating network load data. This includes processing and assessing requests for a permanently unmetered supply device</li> <li>– site alteration, updating and maintaining NMI and associated data in market systems</li> <li>– NMI extinction, processing a request by the customer or their agent for permanent disconnection and the extinction of a NMI in market systems</li> <li>– confirming or correcting metering or network billing information in market business to business or network billing systems, due to insufficient or incorrect information received from retailers or metering providers</li> </ul> </li> <li>• establishment and maintenance of NMIs in market and/or network metering 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>• 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.</li> </ul>		

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
	<ul style="list-style-type: none"> <li>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.</li> <li>meet NT jurisdictional technical and safety obligations, including network neutral integrity test, emergency response and review of and maintaining of technical codes</li> <li>work related to a regulated stand-alone power system (SAPS) deployment, operation and maintenance, (including fault and emergency repairs)<sup>4</sup> and customer conversion activities</li> <li>management of metering and billing data as per NT jurisdictional obligations.</li> <li>Essential System Services required to be provided under NT Market arrangements.</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 rechecking services in relation to connection and relocation works</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), including retaining external engineering consultants.</li> </ul>	Alternative control	Alternative control
Access permits, oversight and facilitation	Activities include: <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> </ul>	Alternative control	Alternative control

<sup>4</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
	<ul style="list-style-type: none"> <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 Provider 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>• 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</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>		
Sale of approved materials or equipment	Includes the administration and sale of approved materials/equipment to third parties for construction of connection assets that are gifted back to the DNSP to become part of the shared distribution network.	N/A	Alternative control
Notices of arrangement and completion notices	<p>Examples include:</p> <ul style="list-style-type: none"> <li>• 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 may include 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.</li> <li>• Provision of a completion notice (other than a notice of arrangement). This applies where the customer/developer requests distributor to provide documentation confirming progress of work. Usually associated with discharging</li> </ul>	Alternative control	Alternative control



Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
	contractual arrangements (e.g. progress payments) to meet contractual undertakings.		
Network related property services	<p>Activities include:</p> <ul style="list-style-type: none"> <li>• Network related property services such as property tenure services related to 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
Network safety services	<p>Examples include:</p> <ul style="list-style-type: none"> <li>• provision of traffic control services by the distributor or third party where required.</li> <li>• Provision, installation, fitting and removing of tiger tails and aerial markers</li> <li>• high load escorts.</li> <li>• third party request for de-energising wires for safe approach (e.g. for tree pruning).</li> </ul>	Alternative control	Alternative control
Network tariff change request	<p>Activities including a retailer's customer or retailer requesting an alteration to an existing network 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	The distributors may be required to perform a number of services as a distributor when a ROLR event occurs, including under clause 9 of the NT Electricity Retail Supply Code.	Alternative control	Alternative control
Customer requested network outage or	Examples include:	Alternative control	Alternative control

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
rescheduling of a planned interruption	<ul style="list-style-type: none"> <li>• where the customer requests to reschedule a distributor planned interruption and agrees to fund the additional cost of performing this distribution service outside of normal business hours</li> <li>• customer initiated network outage (e.g. to allow customer and/or contractor to perform maintenance on the customer's 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.	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 or are proposed to be 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 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>	N/A	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 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

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
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 providers (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
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>	N/A	Alternative control
Customer or third party initiated/funded 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 or third party requested provision of electricity network data or information	Data and information 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
<p><b>Metering services—activities relating to the measurement of electricity supplied to and from customers through the distribution system (excluding network meters)</b></p>			

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
Type 1 to 6 metering services <sup>5</sup>	Provide type 1 to 6 metering services as set out in chapter 7A of the NER (NT), including but not limited to: <ul style="list-style-type: none"> <li>• metering coordinator</li> <li>• metering provider, including: providing, installing, maintaining, inspecting, replacing, recovery and disposal, and testing meters.</li> <li>• meter reading including scheduled and special meter reads (e.g. move in and move out meter reading, final read on removed meter)</li> <li>• meter data services including collection, processing, management, delivery and storage of metering data.</li> </ul>	Alternative control	Alternative control
Type 7 metering services	Administration and management of type 7 metering installations in accordance with the chapter 7A of NER (NT) 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
<b>Connection services —services relating to the electrical or physical connection of a customer to the network</b>			
Basic connection services	Means a connection service <sup>6</sup> 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:  (a) either:	Standard control	Standard control

<sup>5</sup> Type 5 meters are currently not approved for use in the Northern Territory. When referring to type 1 to 6 metering services, this includes services relating to pre-payment meters.

<sup>6</sup> When discussing connections, we must consider how connection policies and chapter 5A of the NER impact the regulation of connection services. For this reason, we will not be able to completely address the classification of connection services in the classification guideline.

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
	1) the retail customer 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 micro embedded generator; and (b) the provision of the service involves minimal or no augmentation of the distribution network; and (c) a model standing offer has been approved by the AER for providing that service as a basic connection service.		
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. This service has three cost components: (A) Premises connection asset (B) Extension asset; and (C) Shared network augmentation charge	N/A	(A) Alternative Control (B) Alternative Control (C) Standard Control
Enhanced connection services <sup>7</sup>	Other or enhanced connection services provided at the request of a customer or third party that include those that are: <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
Connection management services	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"> <li>• connection application related services</li> <li>• connection point management services.</li> </ul>	Alternative control	Alternative control

<sup>7</sup> Includes enhancements for both consumption and export services.

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.).	N/A	Not classified