

Draft Decision

Ergon Energy Electricity Distribution Determination 2025 to 2030

(1 July 2025 to 30 June 2030)

Attachment 13 Classification of services

September 2024

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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 several factors, including existing and potential competition to supply these services.

We are required to make a decision on the classification of Ergon Energy’s 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 (SCS) or alternative control services (ACS). The classification that we apply determines the nature of the economic regulation we will apply to those services. Our classification decision does not include determining how service charges are to be set. That involves further separate decisions – see the control mechanism, alternative control services and metering services attachments.²

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.³ We set out our proposed approach to the classification of distribution services for Ergon Energy in our final F&A published in July 2023.⁴ A summary of the final F&A is set out in section 13.2.

13.1 Draft decision – summary

Our draft decision is to maintain the classifications set out in our final F&A, except for:

- reclassifying legacy metering services as SCS in accordance with the AER’s November 2023 ‘Legacy metering services - guidance note’ (Guidance note),⁵ reflecting the recommendations outlined in the AEMC’s August 2023 final report of the metering services review.⁶
- Including data services as a common distribution service in line with the intent of the AEMC’s Metering Review. This is also consistent with our final decisions for the 2024–29 regulatory determinations.

¹ NER, cl. 6.12.1(1).

² AER, *Attachment 14 - Control mechanism – Draft decision – Ergon Energy distribution determination 2025–30*, September 2024; AER, *Attachment 16 – Alternative Control Services – Draft decision – Ergon Energy distribution determination 2025–30*, September 2024; and AER, *Attachment 20, Metering services – Draft decision – Ergon Energy distribution determination 2025–30*, September 2024.

³ NER, cl. 6.12.3(b).

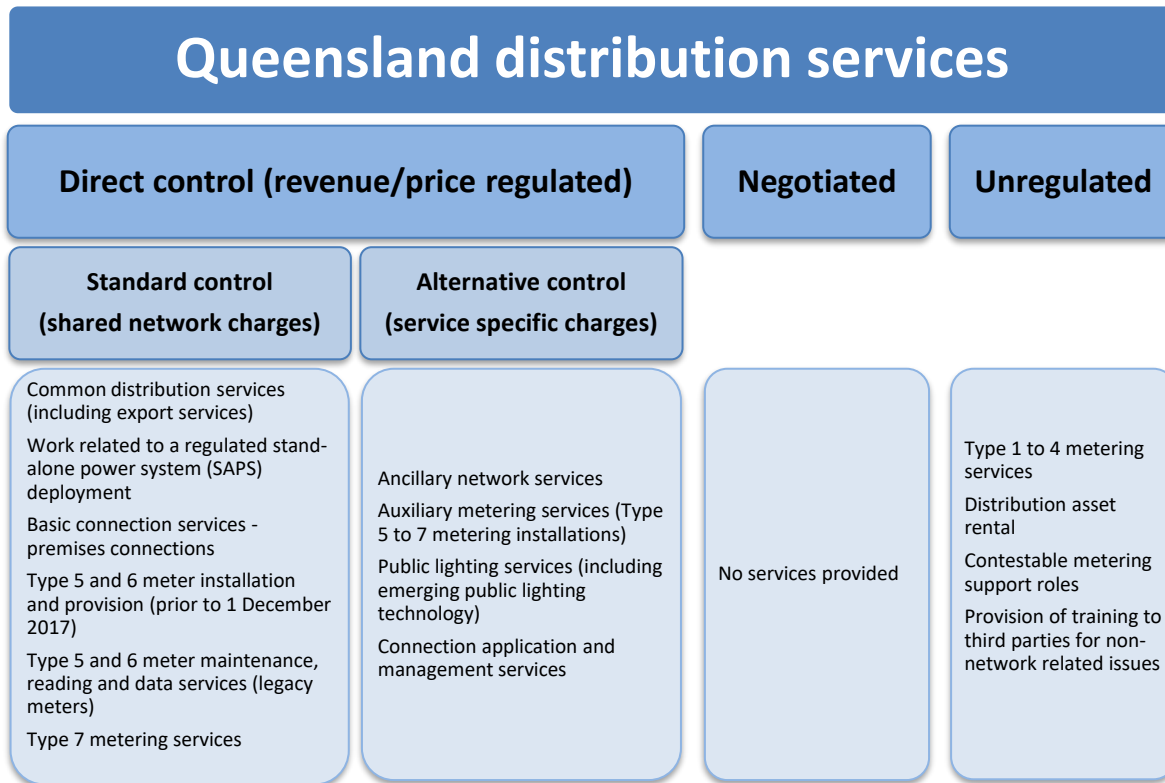
⁴ AER, *Final Framework and Approach - Ergon Energy and Energex 2025-30*, July 2023.

⁵ AER, *Legacy metering services – Guidance note*, November 2023, p.1.

⁶ AEMC, *Final Report Review of the Regulatory Framework for Metering Services*, 30 August 2023, p. i.

Figure 13.1 summarises our draft decision on service classifications for Ergon Energy for the 2025–30 regulatory control period. Appendix A sets out our detailed classification decision for Ergon Energy. The additions and amendments that we have decided to make are shown as marked-up text.

Figure 13.1 AER draft decision on 2025–30 service classification for Ergon Energy



Note: This summary is a non-exhaustive list, refer to Appendix A for additional detail.
Source: AER.

13.2 Framework & Approach

The F&A process is the first formal step in a two-year regulatory process to determine efficient prices for Ergon Energy’s distribution services. It sets the foundation for Ergon Energy’s revenue proposal and the AER’s revenue determination for Ergon Energy. This includes establishing the list of services that will be covered by the revenue determination, and the classification for each of those services.

Our final F&A for Ergon Energy was subject to wide consultation with a range of stakeholders and was published July 2023. Changes can only be made if we consider that there has been a material change in circumstances. Table 13.1 provides a summary of the decisions made at the F&A stage of the regulatory process.

Table 13.1 Framework & Approach – summary of the service classification decision ⁷

Service	Decision	Summary
Regulated stand-alone power systems (SAPS)	Standard control, common distribution service	The National Electricity Amendment Rule 2022 determined that SAPS are to be treated as SCS.
Rectification of simple customer faults	Standard control, common distribution service	We accepted this proposal by Energy Queensland of a new service for the rectification of simple customer faults when investigating customer outages.
Customer export services	Common distribution service, not listed separately	Ergon Energy supported the position we took in recent F&A decisions to recognise export services. The proposal aligns with the AEMC's access, pricing and incentive arrangements for Customer Energy Resources rule change.
Export connection services	Alternative control service	Updated to align with the classification for consumption-based connection services.
Legacy metering	Not classified – Subject to AEMC metering review	We noted that adjustments were likely and that the AER would adopt the decisions from the 2024–29 resets. Namely to shift legacy metering from ACS to SCS and include a new service for provision of data to customers.
Security lights	Maintained as alternative control service	We maintained operation and maintenance of existing security light installations as ACS.
Service groupings	Maintained as alternative control service	We removed “additions or upgrades” from basic, standard and negotiated premises connection services, noting these are already classified as part of the alternative control Connection Application and Management Services service group.
Enhanced connection services	Maintained as alternative control service	We maintained enhanced connection services to remain classified as alternative control connection services

13.3 Ergon Energy’s proposal

In its regulatory proposal received 31 January 2024, Ergon Energy proposed to adopt the service classifications set out in the AER’s final F&A except for Type 5 and 6 metering services (also known as ‘legacy metering services’), proposing to reclassify legacy metering services from ACS to SCS.

⁷ AER, [Final Framework and Approach - Ergon Energy and Energex 2025-30](#), July 2023; Ergon Energy, [Attachment 12.01 - Classification of services](#), 31 January 2024.

Ergon Energy’s 2025–30 proposal for legacy metering services is consistent with the August 2023 AEMC final report and the November 2023 AER Guidance Note on legacy metering services.⁸

Ergon Energy does not propose to offer any negotiated services.⁹

13.3.1 Metering services

The AEMC’s final report¹⁰ recommended accelerated deployment of smart meters by 2030 for all small customers, including residential and small commercial or business customers. The AER considers this to be a material change in circumstances that justifies reclassifying legacy metering services as SCS to equitably recover costs across all customers. Classifying these services as SCS aims to maintain transparency and address pricing inequities during the smart meter rollout. This material change in circumstances means that, in accordance with clause 6.12.3(b) of the NER,¹¹ we can depart from the service classification set out in our final F&A for Ergon Energy.

Ergon Energy proposal included the following changes in Table 13.2 from the AER’s final F&A for legacy metering (Type 5 and 6 meter) service classification:¹²

Table 13.2 Ergon Energy’s proposed reclassification of legacy metering services

Service Group	Further Description ³	Current Classification 2020-25	Proposed classification 2025-30
Metering services²⁵ 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 ²⁶ and supporting services are competitively available.	Unregulated	Unregulated
Type 5 and 6 meter installation and provision (prior to 1 December 2017)	Recovery of the capital cost of type 5 and 6 metering equipment (including meters with internally integrated load control devices)	Alternative control	Alternative control Standard control services
Type 5 and 6 meter maintenance, reading and data services (legacy meters)	Activities include: <ul style="list-style-type: none"> Meter maintenance covers works to inspect, test, maintain and repair metering installations. Meter reading refers to quarterly or other regular reading of a metering installation including field visits and remotely read meters. Metering data services includes, for example: services that involve the collection, processing, storage and delivery of metering data, the provision of metering data in accordance with regulatory obligations, from remote or self-reading at difficult to access sites, and the management of relevant NMI Standing Data in accordance with the NER. 	Alternative control	Alternative control Standard control services
Types 5 and 6 meter maintenance, reading and data services (Mount Isa-Clooncurry Network)	<ul style="list-style-type: none"> Meter maintenance covers works to inspect, test, maintain, and repair and replace metering installations. It also includes the removal and disposal of a metering installation at customers’ premises. Meter reading refers to quarterly or other regular reading of a metering installation. Metering data services are those that involve the collection, processing, storage and delivery of metering data, the provision of metering data from the previous two years, remote or self-reading at difficult to access sites, and the management of relevant NMI Standing Data in accordance with the NER. 	Note – Ergon only Alternative control	Note – Ergon only Alternative control Standard control services

13.3.2 Supply abolishment services

Supply abolishment refers to the removal of an electricity network connection. It typically occurs when a building is set for demolition, removal, or relocation. It also happens in unsafe situations where immediate disconnection is necessary.

⁸ AEMC, [Final Report Review of the Regulatory Framework for Metering Services](#), 30 August 2023; AER, [Legacy metering services – Guidance note](#), November 2023.

⁹ Ergon Energy, [12.02 - Negotiating Framework 2025-30](#), November 2023, p.2.

¹⁰ AEMC, [Final Report Review of the Regulatory Framework for Metering Services](#), 30 August 2023, p. i.

¹¹ Ergon Energy, [Attachment 12.01 - Classification of services](#), 31 January 2024, p. 4.

¹² Ergon Energy, [Attachment 12.01 - Classification of services](#), 31 January 2024, pp. 13-14.

In response to one of our information requests, Ergon Energy proposed to change its service classification for supply abolishment services from ACS to SCS. Ergon Energy stated that it is unable to recover the costs of the service in the following cases:¹³

- unsafe situations requiring urgent, often after-hours call outs for supply abolishment, which involve overtime and raise service costs
- where end customers cannot be located.

Ergon Energy stated that there has been an increase in the number of times that these situations have been occurring.

Ergon Energy also mentioned that supply abolishment is a crucial aspect of safe network management, serving as the final step in the basic connection lifecycle. Therefore, Ergon Energy considered that supply abolishment services should be classified as a SCS.

Since the need to provide a supply abolishment service in respect of a particular premises is driven by a single customer, and as other DNSPs offer it as an ACS, the AER does not consider Ergon Energy's proposed change in the classification of supply abolishment services from ACS to SCS is appropriate.

13.4 AER's assessment approach

Our assessment approach is guided by the Electricity Distribution Service Classification Guideline 2022 (service classification guideline)¹⁴, which in turn applies the principles for service classification set out in the NER.¹⁵

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.¹⁶ 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. It also includes a stand-alone distribution system in a regulated SAPS'.¹⁷
2. We consider whether economic regulation of the service is necessary.¹⁸ When we do not consider economic regulation is necessary, 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 a direct control, we then further classify it as either a standard control or alternative control service.

¹³ Ergon Energy, *Information Request IR#034 – ACS ancillary services - crew size and vehicle cost*, received 06 June 2024, p. 5.

¹⁴ AER, [Electricity Distribution Service Classification Guideline](#), August 2022.

¹⁵ NER cls. 6.2.1 and 6.2.2.

¹⁶ NER, chapter 10, glossary.

¹⁷ NER, chapter 10, glossary.

¹⁸ AER, [Electricity Distribution Service Classification Guideline](#), August 2022

Further detail of our assessment approach for classifying a service is set out in detail at Section 2 of our final F&A for Ergon Energy.¹⁹

13.4.1 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 SCS, 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 ACS. 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 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.

13.5 Draft decision – details

Our draft decision is to maintain the classification set out in our final F&A for Ergon Energy published in July 2023²⁰, except for the following changes, which are consistent with our final decisions on NSW businesses' service classifications for 2024–29 regulatory period:²¹

- reclassifying legacy metering services from ACS to SCS.
- changes to support the intent of AEMC's metering services review in relation to metering data, namely:
 - the inclusion of the following additional service as a SCS "Common distribution services": "provision of standardised data sets and/or data that is provided to a distributor in accordance with obligations under the Rules"
 - an amendment to the "Provision of electricity network data" ACS to include the provision of other data where requested by the customer or by a third party.

¹⁹ AER, [Final Framework and Approach - Ergon Energy and Energex 2025-30](#), July 2023, pp. 3-8.

²⁰ AER, [Final Framework and Approach - Ergon Energy and Energex 2025-30](#), July 2023.

²¹ See for example, AER, [Final Decision Attachment 13 - Classification of services - Ausgrid - 2024–29 Distribution revenue proposal](#), April 2024, pp. 9-10.

13.6 Reasons for 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 justify a change in our classification approach.²² We are satisfied that a material change in circumstance has occurred, being the final decision of the AEMC’s metering services review, which justifies departing from the classifications of legacy metering services in the Ergon Energy F&A.

This section sets out our reasons for our draft decision on the distribution service classifications for Ergon Energy.

13.6.1 Metering services

The AEMC conducted a review into the regulatory framework for metering services, initiated in December 2020, with its final report published in August 2023.²³ In our final F&A for Ergon Energy, we classified legacy metering services as ACS.²⁴ However, we expected Ergon Energy’s proposal to depart from the F&A where necessary to reflect the AEMC Final Report.²⁵

Ergon Energy supported our view and departed from the F&A and proposed to reclassify legacy metering services as SCS.²⁶ It also provided a revenue cap control mechanism consistent with the approach set out in our guidance note for metering services.²⁷ Our proposed approach and guidance for legacy metering services is set out in Attachment 20 – Metering services.²⁸ Our view is that a reclassification of legacy metering services to SCS is appropriate. This approach will result in the benefit of recovering Ergon Energy’s metering services costs across a wider customer group during the smart meter transition.

Despite the Mount Isa-Cloncurry network not being within the scope of the AEMC’s review, Ergon Energy extended the reclassification of metering services as SCS to this network. Our view is that this reclassification will ensure consistency and provide a more equitable outcome for all customers (see Attachment 20 – Metering services).

Background – AEMC Metering Review

The AEMC’s draft report noted that smart meters provide whole-of-system benefits which should be realised as soon as possible.²⁹ The AEMC’s final decision was released on

²² NER, cl. 6.12.3(b).

²³ AEMC, [Final Report Review of the Regulatory Framework for Metering Services](#), 30 August 2023

²⁴ AER, [Final Framework and Approach - Ergon Energy and Energex 2025-30](#), July 2023, pp. 30-32.

²⁵ AER, [Final Framework and Approach - Ergon Energy and Energex 2025-30](#), July 2023, p.6.

²⁶ Ergon Energy, [2025-30 Regulatory Proposal, January 2024](#), p.181; Ergon Energy, [Attachment 12.01 - Classification of services](#), January 2024, p. 4.

²⁷ Ergon Energy, [2025-30 Regulatory Proposal, January 2024](#), p. 204.

²⁸ AER, [Draft Decision Attachment 20 - Metering Services - Ergon Energy - 2025-30 Distribution revenue proposal](#), September 2024.

²⁹ AEMC, [Review of the regulatory framework for metering services draft report](#), 3 November 2022, p. ii.

30 August 2023, and confirmed that it will target a 100% replacement of distribution network owned accumulation meters with smart meters offered by other parties by 30 June 2030.³⁰

Our final decisions for the ACT, NSW and TAS distributors for 2024–29 regulatory period noted the AEMC final report constituted a ‘material change in circumstances’ which would permit a change in classification from the F&A.³¹ In our draft decisions, we considered a reclassification of legacy metering services as SCS and costs recovered through the revenue cap were likely to be more appropriate in order to reduce material price impacts for customers through the metering transition. Contribution by all customers is appropriate as all energy users will recognise the network benefits of this transition.³² We published a Guidance note³³ on a common approach for distributors intending on reclassifying legacy metering services as SCS.

13.6.2 Data services

The AEMC’s metering services review’s final decision outlined measures that would unlock further benefits from smart meter data and services. This includes improving access to a broader range of data and services provided by smart meters.³⁴

Our 2024–29 resets final decisions for the ACT, NSW and TAS distributors include a note to the effect that where a business receives data, such as from smart meters, at no additional cost, this data should be made available to customers and stakeholders free of charge.³⁵

The NSW businesses also proposed to amend the existing definition of “non-standard customer or third party requested data services”, an ACS, to specify provision of data beyond standardised data sets or NER obligations.³⁶

We approved the data service amendments proposed by the businesses for the 2024–29 regulatory control period. We considered these changes consistent with the AEMC’s metering services review. We also considered that the businesses’ approach would provide clarity around what data will be provided on request under the common distribution service and what may be charged for under ACS.³⁷

Ergon Energy proposed to reclassify legacy metering services as SCS, which would likely include metering data services, in line with the AEMC’s Draft rule determination on

³⁰ AEMC, [Final Report: Review of the regulatory framework for metering services](#), August 2023, p. 2.

³¹ See for example, AER, [Final Decision Attachment 13 - Classification of services - Ausgrid - 2024–29 Distribution revenue proposal](#), April 2024, p.1.

³² See for example, AER, [Final Decision Attachment 20 - Metering services - Ausgrid - 2024–29 Distribution revenue proposal](#), April 2024, p. 3.

³³ AER, [Legacy metering services – Guidance note](#), November 2023.

³⁴ AEMC, [Final Report Review of the Regulatory Framework for Metering Services](#), 30 August 2023, p. i.

³⁵ See for example, AER, [Final Decision Attachment 13 - Classification of services - Ausgrid - 2024–29 Distribution revenue proposal](#), April 2024, p.18.

³⁶ See for example, AER, [Final Decision Attachment 13 - Classification of services - Ausgrid - 2024–29 Distribution revenue proposal](#), April 2024, p.6.

³⁷ See for example, AER, [Final Decision Attachment 13 - Classification of services - Ausgrid - 2024–29 Distribution revenue proposal](#), April 2024, p.14.

Accelerating Smart Meter Deployment.³⁸ We have decided to make the classification changes proposed by Ergon Energy for legacy metering services and to make the following adjustment for metering ‘data services’ in line with the AER’s final decision for the 2024–29 Resets:

- The “*provision of standardised data sets and/or data that is provided to a distributor in accordance with obligations under the rules*” as a new common distribution, standard control service; and
- “*data requests by customers or third parties for the provision of electricity network data beyond standardised data sets or obligations under the rules*” as an alternative control service

These amendments are intended to give effect to the intentions of the AEMC’s Metering Review over the next regulatory period. We note that a rule change request has been made by Energy Consumers Australia to take forward the implementation of consumers’ access to real time data as recommended in the Metering Review.³⁹

The amendment does not prescribe or define the type of data to be provided to consumers, which is yet to be explored by the AEMC during the development of the rule change. This amendment does not impede Ergon Energy from participating in the Energy Consumer Australia rule change request process as it progresses.

Engagement with Ergon Energy

We held staff level discussions with Ergon Energy regarding this adjustment to include an explicit reference to data services in the SCS and ACS. We note that Ergon Energy accepted our amendment.

13.6.3 Supply abolishment services

As discussed in section 13.3.2, Ergon Energy proposed reclassifying supply abolishment from ACS to SCS due to challenges in recovering costs from urgent, unsafe situations and unlocatable end customers.⁴⁰ However, the AER notes that supply abolishment is driven by a single customer, not a shared network service, and recommended incentivising cost recovery from the responsible customer. As other DNSPs offer this service as ACS, the AER considers that Ergon Energy’s supply abolishment services should remain classified as ACS.⁴¹

13.6.4 Next step

- We encourage stakeholder feedback on our draft decision.

³⁸ AEMC, [Draft Rule Determination: National Electricity Amendment \(Accelerating Smart Meter Deployment\) Rule](#), 4 April 2024, p. i.

³⁹ Energy Consumers Australia, [Rule change request: access to real time data for consumers and their authorised representatives](#), 24 June 2024.

⁴⁰ Ergon Energy, [Information Request IR#034 – ACS ancillary services - crew size and vehicle cost](#), received 06 June 2024, p. 5.

⁴¹ AER, [Attachment 16 – Alternative control services – Draft decision – Ergon Energy distribution determination 2025–30](#), September 2024, section 16.1.4.3.

Shortened forms

Term	Definition
ACS	Alternative control service
AEMC	Australian Energy Market Commission
AER	Australian Energy Regulator
DNSP or Distributor	Distribution Network Service Provider
F&A	Framework and approach
Guidance note	Legacy metering services - guidance note
NEM	National electricity market
NER or the Rules	National electricity rules
RAB	Regulatory asset base
SAPS	Stand-alone power system
SCS	Standard control service

A AER draft decision on service classification of Ergon Energy and Energex’s distribution services 2025–30 (Mark-up)

Red mark-up: AER proposed amendments for the Draft decision

Service Group	Further Description ⁴²	Current Classification 2020–25	Proposed classification 2025–30
Common distribution service-use of the distribution network for the conveyance/flow of electricity (including the services relating to network integrity)			
Common distribution service	<p>The suite of activities that includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> 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 network⁴³ and (including emergency 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 Provision of standardised data sets and/or data that is provided to a distributor in accordance with obligations under the rules.⁴⁴ training internal staff and contractors undertaking direct control services. activities related to ‘shared asset facilitation’ of distributor assets⁴⁵ 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 	Standard control	Standard control

⁴² 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.

⁴³ May include the provision of temporary stand-alone power systems to restore supply.

⁴⁴ **Where a network received data from smart meters at no additional cost, this data is considered to be available to customers and stakeholders at no charge.**

⁴⁵ 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	Further Description ⁴²	Current Classification 2020–25	Proposed classification 2025–30
	<ul style="list-style-type: none"> • rectification of simple customer faults where: <ol style="list-style-type: none"> 1) the need for rectification work is discovered in the course of the provision of distribution services 2) the work performed is the minimum required to restore safe supply 3) the work can be performed in less than thirty minutes and does not normally require a second visit. • rectification of simple customer fault relating to a life support customer or other critical health and safety issues the distributor is able to address • establishment and maintenance of national metering identifiers (NMI) in market and/or network billing systems, and other market and regulatory obligations • bulk supply point metering – activities relating to monitoring the flow of electricity through the distribution network • ongoing inspection of private electrical works (not part of the shared network) required under legislation for safety reasons • Work related to a regulated stand-alone power system (SAPS) deployment, operation and maintenance (including fault and emergency repairs) and customer conversion activities⁴⁶ <p>Such services do not include a service that has been separately classified, including any activity relating to that service.</p>		
Connection services – services relating to the electrical or physical connection of a customer to the network⁴⁷			
Basic connection services - premises connections	<p>Means a connection service 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 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 	A. Standard control	A. Standard control

⁴⁶ Includes simple customer fault rectification on generation service of regulated SAPS.

⁴⁷ Applies to both NER chapter 5 and 5A connections

Service Group	Further Description ⁴²	Current Classification 2020–25	Proposed classification 2025–30
	<p>(b) the provision of the service involves minimal or no augmentation of the distribution network; and</p> <p>(c) a model standing offer has been approved by the AER for providing that service as a basic connection service</p> <p>Premises connections are new connection assets located on the customer's premises for:</p> <p>A. small customers. ⁴⁸</p>		
Standard connection services – premises connections	<p>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.</p> <p>Premises connections are new connection assets located on the customer's premises for:</p> <p>A. large customers. ⁴⁹</p> <p>B. small customers. ⁵⁰</p>	<p>A. Alternative control</p> <p>B. Standard control</p>	<p>A. Alternative control</p> <p>B. Standard control</p>
Standard connection services – network extension	<p>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.</p> <p>Network extension means an enhancement required to connect a power line or facility outside the present boundaries of the transmission or distribution network owned or operated by a network service provider to facilitate:</p>	<p>A. Alternative control</p> <p>B. Standard control</p> <p>C. Standard control</p>	<p>A. Alternative control</p> <p>B. Standard control</p> <p>C. Standard control</p>

⁴⁸ Generally, small customers are those customers who connect under the Standard Asset Customer tariff classes as per the distributor's pricing proposal, excluding real estate developments as set out in the distributor's connection policy.

⁴⁹ Generally, large customers are those customers who connect under the Individually Calculated Customer and Connection Asset Customer tariff classes as per the distributor's pricing proposal, including real estate developments as set out in the distributor's connection policy.

⁵⁰ Generally, small customers are those customers who connect under the Standard Asset Customer tariff classes as per the distributor's pricing proposal, excluding real estate developments as set out in the distributor's connection policy.

Service Group	Further Description ⁴²	Current Classification 2020–25	Proposed classification 2025–30
	<p>A. a new or altered large customer connection⁵¹, where the network extension will be dedicated to the exclusive use of the large customer at the time of installation and energisation and there is no reasonable likelihood that the network extension will be used to supply another customer or customers within the time period set out in the distributor’s Connection Policy.</p> <p>B. a new or altered large customer connection⁵², where the distributor considers there is a reasonable likelihood that the network extension will be used to supply another customer or customers within the time period set out in the distributor’s Connection Policy (i.e., will form part of the shared network).</p> <p>C. a new or altered small customer connection.⁵³</p>		
Standard connection services – Augmentations	<p>Standard connection service 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.</p> <p>Augmentation means any shared network enlargement/enhancement undertaken by a distributor, which is not an extension, to facilitate:</p> <p>A. a new or altered large customer connection.⁵⁴</p> <p>B. a new or altered small customer connection.⁵⁵</p>	<p>A. Standard control</p> <p>B. Standard control</p>	<p>A. Standard control</p> <p>B. Standard control</p>

⁵¹ Generally, large customers are those customers who connect under the Individually Calculated Customer and Connection Asset Customer tariff classes as per the distributor’s pricing proposal, including real estate developments as set out in the distributor’s connection policy.

⁵² Generally, large customers are those customers who connect under the Individually Calculated Customer and Connection Asset Customer tariff classes as per the distributor’s pricing proposal, including real estate developments as set out in the distributor’s connection policy.

⁵³ Generally, small customers are those customers who connect under the Standard Asset Customer tariff classes as per the distributor’s pricing proposal, excluding real estate developments as set out in the distributor’s connection policy.

⁵⁴ Generally, large customers are those customers who connect under the Individually Calculated Customer and Connection Asset Customer tariff classes as per the distributor’s pricing proposal, including real estate developments as set out in the distributor’s connection policy.

⁵⁵ Generally, small customers are those customers who connect under the Standard Asset Customer tariff classes as per the distributor’s pricing proposal, excluding real estate developments as set out in the distributor’s connection policy.

Service Group	Further Description ⁴²	Current Classification 2020–25	Proposed classification 2025–30
Negotiated connection services – premises connections	<p>Means a connection service (other than a basic connection service or standard connection service) for which a DNSP provides a connection offer for a negotiated connection contract.</p> <p>Premises connections are new connection assets located on the customer’s premises for:</p> <p>A. large customers.⁵⁶</p> <p>B. small customers.⁵⁷</p>	<p>A. Alternative control</p> <p>B. Standard control</p>	<p>A. Alternative control</p> <p>B. Standard control</p>
Negotiated connection services – Network extensions	<p>Means a connection service (other than a basic connection service or standard connection service) for which a DNSP provides a connection offer for a negotiated connection contract.</p> <p>Means an enhancement required to connect a power line or facility outside the present boundaries of the transmission or distribution network owned or operated by a network service provider to facilitate:</p> <p>A. a new or altered large customer connection,⁵⁸ where the network extension will be dedicated to the exclusive use of the large customer at the time of installation and energisation and there is no reasonable likelihood that the network extension will be used to supply another customer or customers within the time period set out in the distributor’s Connection Policy.</p> <p>B. a new or altered large customer connection,⁵⁹ where the distributor considers there is a reasonable likelihood that the network extension will be used to supply another customer or customers within the time period set out in the distributor’s Connection Policy (i.e., will form part of the shared network).</p>	<p>A. Alternative control</p> <p>B. Standard control</p> <p>C. Standard control</p>	<p>A. Alternative control</p> <p>B. Standard control</p> <p>C. Standard control</p>

⁵⁶ Generally, large customers are those customers who connect under the Individually Calculated Customer and Connection Asset Customer tariff classes as per the distributor’s pricing proposal, including real estate developments as set out in the distributor’s connection policy.

⁵⁷ Generally, small customers are those customers who connect under the Standard Asset Customer tariff classes as per the distributor’s pricing proposal, excluding real estate developments as set out in the distributor’s connection policy.

⁵⁸ Generally, large customers are those customers who connect under the Individually Calculated Customer and Connection Asset Customer tariff classes as per the distributor’s pricing proposal, including real estate developments as set out in the distributor’s connection policy.

⁵⁹ Generally, large customers are those customers who connect under the Individually Calculated Customer and Connection Asset Customer tariff classes as per the distributor’s pricing proposal, including real estate developments as set out in the distributor’s connection policy.

Service Group	Further Description ⁴²	Current Classification 2020–25	Proposed classification 2025–30
	C. a new or altered small customer connection. ⁶⁰		
Negotiated connection services – Augmentations	<p>Means a connection service (other than a basic connection service or standard connection service) for which a DNSP provides a connection offer for a negotiated connection contract.</p> <p>Augmentation means any shared network enlargement/enhancement undertaken by a distributor, which is not an extension, to facilitate:</p> <p>A. a new or altered large customer connection.⁶¹</p> <p>B. a new or altered small customer connection.⁶²</p>	<p>A. Standard control</p> <p>B. Standard control</p>	<p>A. Standard control</p> <p>B. Standard control</p>
Connection application and management services	<p>Works initiated by a customer or retailer which are specific to the connection point. Includes, but is not limited to:</p> <ul style="list-style-type: none"> • Connection application related services • de-energisation⁶³ • re-energisation • temporary connections (of a size less than the shared network augmentation threshold) as a basic connection service e.g. builder's supply, fetes, etc" • remove or reposition connection • 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 • protection and power quality assessment • supply enhancement (e.g., upgrade from single phase to three phase) • customer requested change requiring secondary and primary plant studies for safe operation of the network (e.g., change protection settings) 	Alternative control	Alternative control

⁶⁰ Generally, small customers are those customers who connect under the Standard Asset Customer tariff classes as per the distributor's pricing proposal, excluding real estate developments as set out in the distributor's connection policy.

⁶¹ Generally, large customers are those customers who connect under the Individually Calculated Customer and Connection Asset Customer tariff classes as per the distributor's pricing proposal, including real estate developments as set out in the distributor's connection policy.

⁶² Generally, small customers are those customers who connect under the Standard Asset Customer tariff classes as per the distributor's pricing proposal, excluding real estate developments as set out in the distributor's connection policy.

⁶³ De-energisation services related to business as usual activities and de-energisation services that may relate to changing over meter types.

Service Group	Further Description ⁴²	Current Classification 2020–25	Proposed classification 2025–30
	<ul style="list-style-type: none"> • upgrade from overhead to underground service • rectification of illegal connections or damage to overhead or underground service cables • 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 • power factor correction 		
Enhanced connection services ⁶⁴	<p>Other or enhanced connection services at the request of a customer or third party 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 instruments. • in excess of levels of service or plant ratings required by the distributor. • for embedded generators, including the removal of network constraints. 	Alternative control	Alternative control
Metering services⁶⁵ 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 ⁶⁶ and supporting services are competitively available.	Unregulated	Unregulated
Type 5 and 6 meter installation and provision (prior to 1 December 2017)	Recovery of the capital cost of type 5 and 6 metering equipment (including meters with internally integrated load control devices)	Alternative control	Alternative control Standard control services

⁶⁴ Includes for both consumption and export services.

⁶⁵ The Qld distributors will continue to be responsible for existing type 5 and 6 meters until they are replaced (and entitled to levy associated charges). We refer to these meters as 'legacy meters'. New meters (that will be type 1 to 4 meters) installed from 1 December 2017 are referred to as 'contestable meters'. The Qld distributors will continue to be solely responsible for the Mount Isa-Cloncurry supply network, which is not connected to the NEM.

⁶⁶ Includes the instrument transformer, as per the definition of a 'metering installation' in Chapter 10 of the NER.

Service Group	Further Description ⁴²	Current Classification 2020–25	Proposed classification 2025–30
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"> • Meter maintenance covers works to inspect, test, maintain and repair metering installations. • Meter reading refers to quarterly or other regular reading of a metering installation including field visits and remotely read meters. • Metering data services includes, for example: services that involve the collection, processing, storage and delivery of metering data, the provision of metering data in accordance with regulatory obligations, from remote or self-reading at difficult to access sites, and the management of relevant NMI Standing Data in accordance with the NER. 	Alternative control	Alternative control Standard control services
Auxiliary metering services (Type 5 to 7 metering installations)	Activities include: <ul style="list-style-type: none"> • Off-cycle meter reads for type 5 and 6 meters • 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 • 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) • 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 	Alternative control	Alternative control
Type 5 and 6 meter installation and provision (Mount Isa-Cloncurry supply network only)	On site installation or upgrade (at a customer's request) by Ergon Energy Network of a type 5 or 6 metering installation at a customer's premises in the Mount Isa-Cloncurry supply network. Load control services provided by a type 5 or 6 metering installation are grouped with metering services and classified alternative control.	Note – Ergon only Alternative control	Note – Ergon only Alternative control

Service Group	Further Description ⁴²	Current Classification 2020–25	Proposed classification 2025–30
	Ergon Energy Network may recover the capital cost of types 5 and 6 metering equipment (including meters with internally integrated load control devices) replaced on or after 1 December 2017, where the replacement was initiated by Ergon Energy Network.		
Types 5 and 6 meter maintenance, reading and data services (Mount Isa-Cloncurry Network)	<ul style="list-style-type: none"> • Meter maintenance covers works to inspect, test, maintain and repair and replace metering installations. It also includes the removal and disposal of a metering installation at customers' premises. • Meter reading refers to quarterly or other regular reading of a metering installation. • Metering data services are those that involve the collection, processing, storage and delivery of metering data, the provision of metering data from the previous two years, remote or self-reading at difficult to access sites, and the management of relevant NMI Standing Data in accordance with the NER. 	Note – Ergon only Alternative control	Note – Ergon only Alternative control Standard control services
Additional auxiliary metering services (Mount Isa-Cloncurry supply network only)	<p>Metering services offered by Ergon Energy Network in the Mount Isa-Cloncurry supply network for type 5 and 6 metering installations:</p> <ul style="list-style-type: none"> • Provision and installation of instrument transformers for type 5 and 6 metering purposes <p>Exchange meter – customer requests exchange of their current meter (e.g., for alternative metering configuration/ consolidation of multiple meters for one meter), or customer requests exchange of their current meter for a solar photovoltaic meter</p>	Note – Ergon only Alternative control	Note – Ergon only Alternative control
Emergency supply restoration in relation to metering equipment not owned by the distributor	Customer or third party request to restore power to a customer's premises due to metering equipment not owned by the distributor	Alternative control	Alternative control
Meter recovery and disposal – type 5 and 6 (legacy meters)	<p>Activities include the removal and disposal of a type 5 or 6 metering installation:</p> <ul style="list-style-type: none"> • at the request of the customer or their agent, where an existing type 5 or 6 metering installation remains installed at the premises and a replacement meter is not required. 	Alternative control	Alternative control

Service Group	Further Description ⁴²	Current Classification 2020–25	Proposed classification 2025–30
	<ul style="list-style-type: none"> 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. 		
Distributor arranged outage for purposes of replacing meter	At the request of the retailer or metering co-ordinator provide notification to affected customers and facilitate the disconnection/reconnection of customer metering installations where a retailer planned interruption cannot be conducted.	Alternative control	Alternative control
Network ancillary services – services closely related to common distribution services but for which a separate charge applies			
Access permits, oversight and facilitation	<p>Activities include:</p> <ul style="list-style-type: none"> 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. a distributor issuing confined space entry permits and associated safe entry equipment to a person authorised to enter a confined space. a distributor 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 distributor's staff member. May also include a distributor providing safe entry equipment (fall-arrest) to enter difficult access areas. 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. 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. 	Alternative control	Alternative control
Sale of approved materials or equipment	Includes the sale of approved materials/equipment to third parties for connection assets that are gifted back to become part of the shared distribution network.	Alternative control	Alternative control
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 but not limited to receiving and checking subdivision plans, copying subdivision plans, checking and recording 	Alternative control	Alternative control

Service Group	Further Description ⁴²	Current Classification 2020–25	Proposed classification 2025–30
	<p>easement details, site visits, assessing supply availability, liaising with developers if errors or changes are required and preparing notifications of arrangement</p> <ul style="list-style-type: none"> • Provision of a completion notice (other than a notice of arrangement). This applies where the real estate developer requests the distributor to provide documentation confirming progress of work. Usually associated with discharging contractual arrangements (e.g., progress payments) to meet contractual undertakings. 		
Network related property services	<p>Activities include:</p> <ul style="list-style-type: none"> • Network related property services such as property tenure services relating 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 a connection or relocation. • Conveyancing inquiry services relating to the provision of property conveyancing information at the request of a customer. 	Alternative control	Alternative control
Network safety services	<p>Examples include:</p> <ul style="list-style-type: none"> • provision of traffic control and safety observer services by the distributor or third party where required. • fitting of tiger tails and aerial markers. • third party request for de-energising wires for safe approach • high load escorts. 	Alternative control	Alternative control
Customer requested planned interruption	<p>Examples include:</p> <ul style="list-style-type: none"> • Where the customer requests to move a distributor planned interruption and agrees to fund the additional cost of performing this distribution service outside of normal business hours. • customer initiated network outage (e.g., to allow customer and/or contractor to perform maintenance on the customer's assets, work close to or for safe approach, which impacts other networks users). 	Alternative control	Alternative control
Attendance at customers' premises to perform a statutory	<p>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</p>	Alternative control	Alternative control

Service Group	Further Description ⁴²	Current Classification 2020–25	Proposed classification 2025–30
right where access is prevented.	the costs of arranging, and the provision of, a security escort or police escort (where the cost is passed through to the distributor).		
Inspection and auditing services	<p>Activities include:</p> <ul style="list-style-type: none"> • inspection and reinspection by a distributor, 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. • after hours⁶⁷ examination and/or testing of the consumer mains and main switchboard prior to initial energisation (upon request). • after hours visual examination of an electrical installation to reconnect it to a source of electricity (upon request). • re-test at a customer’s installation, where the installation fails the initial test and cannot be connected. 	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 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. 	Alternative control	Alternative control

⁶⁷ We note that this “after hours” reference is included because it specifically relates to section 219 and 220 of the Electrical Safety Regulation 2013 (Qld)

Service Group	Further Description ⁴²	Current Classification 2020–25	Proposed classification 2025–30
	<ul style="list-style-type: none"> 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. 		
Security lights (legacy)	Operation and maintenance of equipment mounted on distribution equipment used for security services, e.g., nightwatchman lights installed before 30 June 2025.	Alternative control	Alternative control
Customer initiated or triggered 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) or triggered by a customer's non-compliance with network safety or security standards (such as network encroachments)	Alternative control	Alternative control
Customer requested provision of electricity network data	<p>Data requests by customers or third parties for the provision of electricity network data beyond standardised data sets or obligations under the Rules. including requests for the provision of electricity network data or consumption data outside of legislative obligations.</p> <p>Additional services related to network data requests including provision of advice and interpretation.</p>	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.	Alternative control	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 emerging public lighting technology.	Alternative control	Alternative control
Unregulated distribution services – (non-exhaustive list)			
Distribution asset rental	Rental of distribution assets to third parties (e.g., office space rental, pole and duct rental for hanging telecommunication wires etc.).	Unregulated	Unregulated

Service Group	Further Description ⁴²	Current Classification 2020–25	Proposed classification 2025–30
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.	Unregulated	Unregulated
Provision of training to third parties for non-network related access	Training programs provided to third parties which not related to network access.	Unregulated	Unregulated
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.	Unregulated	Unregulated
Distribution services provided in unregulated isolated networks	Ownership and operation of isolated supply networks, other than the Mount Isa-Cloncurry supply network (Ergon Energy Network).	Note – Ergon only Unregulated	Note – Ergon Only Unregulated
Hayman Island undersea cable		Note – Ergon only Unregulated	Note – Ergon only Unregulated
Inspection of private network infrastructure	Inspection of privately owned low voltage or high voltage network infrastructure (i.e., privately owned distribution infrastructure before the meter).	Unregulated	Unregulated