

# AusNet

## Electricity Distribution Price Review 2026–31

### Appendix 1B: Service Classification Proposal

Friday, 31 January 2025



# Service classification proposal

AusNet Services proposes to adopt the Service Classification from the AER's Final Framework and Approach Paper for the 2026-31 regulatory period for Victoria<sup>1</sup>, summarised in Table 1.

**Table 1: Service classification proposal, consistent with the AER's Final Framework and Approach Paper for Victorian distributors, regulatory period 2026-31**

Service group <sup>2</sup>	Further description	Proposed classification 2026-31
<b>Common distribution service - use of the distribution network for the conveyance/flow of electricity (including the services relating to network integrity)</b>		
Common distribution service	<p>The suite of activities that includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>• the planning, design, repair, maintenance, construction, and operation of the distribution network</li> <li>• works to fix damage to the network<sup>3</sup> and recoverable works to fix damage caused by a customer or third party</li> <li>• support for another network during an emergency event</li> <li>• procurement and provision of network demand management activities for distribution purposes</li> <li>• activities related to 'shared asset facilitation' of distribution network service provider (DNSP) assets<sup>4</sup></li> <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>• establishment and maintenance of National Metering Identifiers (NMIs) in market and/or network billing systems, and other market and regulatory obligations</li> <li>• ongoing inspection of private electrical networks (not part of the shared network) required under legislation for safety reasons<sup>5</sup></li> <li>• supply abolishment of basic connection</li> <li>• customer safety information, e.g., 'dial before you dig' services</li> <li>• bulk supply point metering - activities relating to monitoring the flow of electricity through the distribution network</li> </ul>	Standard control

<sup>1</sup> Framework and approach AusNet Services, CitiPower, Jemena, Powercor and United Energy 2026-31, July 2024.

<sup>2</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>3</sup> May include the provision of temporary stand-alone power systems to restore supply.

<sup>4</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.

<sup>5</sup> Section 113F of the Electricity Safety Act 1998 (Vic) requires Vic DNSPs to inspect overhead private electric lines.

	<ul style="list-style-type: none"> <li>• third party-initiated network asset relocations/re-arrangements, including under the Victorian Electricity Distribution Code of Practice<sup>6</sup></li> <li>• transmission network support</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>• use of dynamic network capacity management capabilities (including communication of import and export limits) for distribution purposes</li> <li>• training internal staff and contractors undertaking direct control services</li> <li>• investigation of customer-reported network faults</li> <li>• rectification of simple customer faults where: <ul style="list-style-type: none"> <li>○ the need for rectification work is discovered in the course of the provision of distribution services</li> <li>○ the work performed is the minimum required to restore safe supply</li> <li>○ the work can be performed in less than thirty minutes and does not normally require a second visit</li> </ul> </li> <li>• work related to a regulated stand-alone power system (SAPS) deployment, operation and maintenance (including fault and emergency repairs)<sup>7</sup>, and customer conversion activities.</li> <li>• provision of basic electricity distribution network data, including data that is provided in accordance with legislative obligations, standardised or automated data sets</li> </ul>	
Mandatory provision of essential system services	<p>Activities include:</p> <ul style="list-style-type: none"> <li>• interruption or curtailment of generation of embedded generating units connected to the distribution system at AEMO's direction to manage minimum system load risks, as part of Victoria's Emergency Backstop Mechanism</li> <li>• interruption or disconnection of supply to premises at AEMO's direction to manage under-frequency load risks</li> <li>• other activities required to provide mandatory essential system services</li> </ul>	Standard control
<b>Ancillary network services – customer and third party initiated services related to common distribution services</b>		
Access permits, oversight and facilitation	<p>Activities include:</p> <ul style="list-style-type: none"> <li>• a distributor issuing access permits or clearances to work to a person authorised to work on or near distribution systems including high and low voltage</li> </ul>	Alternative control

<sup>6</sup> This classification applies where a customer contribution is calculated and applied in accordance with Essential Services Commission (ESCV) Victorian Electricity Distribution Code of Practice or where a customer contribution is calculated and applied in accordance with any other relevant Victorian legislation or regulation, including regulations made under the National Electricity (Victoria) Act, 2005. The party requesting such works under this classification must pay the net cost of the works, subject to any rebates specified in the Victorian Electricity Distribution Code of Practice or by any other relevant Victorian legislation or regulation.

<sup>7</sup> Includes simple customer fault rectification on generation service of regulated SAPS.

	<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 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.</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 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
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 DNSP that all necessary arrangements have been made to supply electricity to a development. This includes but is not limited to receiving and checking subdivision plans, copying subdivision plans, checking, and recording easement details, site visits, 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 DNSP is requested to provide documentation confirming progress of work. Usually associated with discharging contractual arrangements (e.g., progress payments) to meet contractual undertakings</li> </ul>	Alternative control
Network related property services	<p>Activities include:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• conveyancing inquiry services relating to the provision of property conveyancing information at the request of a customer</li> </ul>	Alternative control
Network safety services	<p>Examples include:</p> <ul style="list-style-type: none"> <li>• provision of traffic control and safety observer services by the distributor where required</li> <li>• fitting of tiger tails, possum guards, and aerial markers</li> <li>• high load escorts.</li> <li>• site visit relating to location of underground cables/assets</li> </ul>	Alternative control

	<ul style="list-style-type: none"> <li>• Third party request for de-energising wires for safe approach</li> </ul>	
Customer requested network outage or rescheduling of a planned interruption	<p>Examples include:</p> <ul style="list-style-type: none"> <li>• customer initiated network outage (e.g., to allow customer and/or contractor to perform maintenance on the customers assets, work close or for safe approach)</li> <li>• 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</li> </ul>	Alternative control
Inspection and auditing services	<p>Activities include:</p> <ul style="list-style-type: none"> <li>• inspection and reinspection by a DNSP, of gifted assets or assets that have been installed or relocated by a third party</li> <li>• investigation, review, and implementation of remedial actions that may lead to corrective and disciplinary action of a third party service provider due to unsafe practices or substandard workmanship</li> <li>• auditing and inspection of a third party service provider's work practices in the field</li> <li>• re-test at a customer's installation, where the installation fails the initial test and cannot be connected or has been disconnected for more than 12 months or for safety reasons</li> <li>• customer or third party-requested inspection of privately owned low voltage or high voltage network, infrastructure (i.e., privately owned distribution infrastructure before the meter)</li> </ul>	Alternative control
Provision of training to third parties for network related access	<p>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.</p>	Alternative control
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>	Alternative control
Security lights	<p>Provision, installation, operation, and maintenance of equipment mounted on distribution equipment used for security services, e.g. nightwatchman lights. Note: excludes connection services.</p>	Alternative control

Provision of non-basic electricity network data	Data requests by customers or third parties for network data beyond the scope of Standard Control Service provision, including: <ul style="list-style-type: none"> <li>• data requests by customers or third parties including requests for the provision of electricity distribution network data or consumption data outside of legislative obligations</li> <li>• customer or third-party requests for assistance to understand or interpret data, or to identify the data they require to meet their needs</li> </ul>	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
Community network upgrades	Collective customer requested network enhancement. Activities related to community requests to augment the network to enable higher PV exports.	Alternative control
<b>Metering services - activities relating to the measurement of electricity supplied to and from customers through the distribution system (excluding network meters)</b>		
Type 1 to 4 metering services	Type 1 to 4 metering installations <sup>8</sup> and supporting services are competitively available.	Unregulated
Type 5 and 6 (inc. smart metering) services where the distributor remains responsible	Includes: <ul style="list-style-type: none"> <li>• recovery of the cost of type 5 and 6 metering equipment<sup>9</sup> including communications network (including meters with internally integrated load control devices)</li> <li>• testing, inspecting, investigating, maintaining or altering existing type 5 or 6 metering installations or instrument transformers</li> <li>• quarterly or other regular reading of a metering installation</li> <li>• metering data services 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</li> </ul>	Alternative control
Auxiliary metering services (type 5 to 7 including smart metering) where the	Activities include: <ul style="list-style-type: none"> <li>• requests to test, inspect and investigate, or alter an existing type 5 or 6 metering installation</li> <li>• testing and maintenance of instrument transformers for type 5 and 6 metering purposes</li> </ul>	Alternative control

<sup>8</sup> Includes the instrument transformer, as per the definition of a 'metering installation' in Chapter 10 of the NER.

<sup>9</sup> Includes the instrument transformer, as per the definition of a 'metering installation' in Chapter 10 of the NER.

distributor remains responsible	<ul style="list-style-type: none"> <li>• non-standard metering services for Type 5 to 7 meters and any other meter types introduced.</li> <li>• works to re-seal a type 5 or 6 meter due to customer or third party action (e.g. by having electrical work done on site)</li> <li>• change distributor load control relay channel on request that is not a part of the initial load control installation, nor part of standard asset maintenance or replacement.</li> <li>• remote de-energisation and re-energisation</li> <li>• remote meter configuration</li> <li>• field based special meter read</li> <li>• office based special meter read</li> <li>• metering exit services</li> </ul>	
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	Alternative control
<b>Connection services - services relating to the electrical or physical connection of a customer to the network</b>		
Basic connection services	<p>Means a <i>connection service</i><sup>10</sup> related to a <i>connection</i> (or a proposed <i>connection</i>) between a <i>distribution system</i> and a <i>retail customer's</i> premises (excluding a non-registered <i>embedded generator's</i> premises) in the following circumstances:</p> <p>(a) either:</p> <ol style="list-style-type: none"> <li>1. the <i>retail customer</i> is typical of a significant class of <i>retail customers</i> who have sought, or are likely to seek, the service; or</li> <li>2. the <i>retail customer</i> is, or proposes to become, a <i>micro embedded generator</i>; and</li> </ol> <p>(b) the provision of the service involves minimal or no <i>augmentation</i> of the <i>distribution network</i>; and</p> <p>(c) a <i>model standing offer</i> has been approved by the AER for providing that service as a <i>basic connection service</i></p>	Alternative control
Standard connection service	Connection services (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	Standard control
Negotiated connection	<p>Connection services (other than a basic connection service) for which a DNSP provides a connection offer for a negotiated connection contract</p> <p>This includes connections under Chapter 5 of the NER</p>	Standard control

<sup>10</sup> Italics denotes definitions in Chapter 5A of the NER.

<p>Connection application and management services</p>	<ul style="list-style-type: none"> <li>• Connection application related services</li> <li>• Works initiated by a customer or retailer that are specific to the connection point. This includes, but is not limited to: <ul style="list-style-type: none"> <li>○ field based de-energisation<sup>11</sup> and re-energisation</li> <li>○ Non basic supply abolishment or reposition non-basic connection</li> <li>○ Temporary connections (e.g. for builder's supply, fetes etc.)</li> <li>○ overhead service line replacement – customer requests the existing overhead service to be replaced (e.g. because of a point of attachment relocation). No material change to load</li> <li>○ protection and power quality assessment</li> <li>○ supply enhancement (e.g. upgrade from single phase to three phase)</li> <li>○ customer requested change requiring primary and secondary plant studies for safe operation of the network (e.g. change protection settings)</li> <li>○ upgrade from overhead to underground service</li> <li>○ rectification of illegal connections or damage to overhead or underground service cables</li> <li>○ calculation of a site specific distribution loss factor on request in respect of a generating unit up to 10 MW or a connection point for an end-user</li> <li>○ with actual or forecast load up to 40 GWh per annum capacity, as per clause 3.6.3(b1) of the NER</li> <li>○ calculation of site specific loss factors when required under the NER</li> <li>○ power factor correction</li> <li>○ Embedded network management</li> <li>○ assessing connection applications or a request to undertake relocation of network assets as contestable works and preparing offers</li> <li>○ processing preliminary enquiries requiring site specific or written responses</li> <li>○ undertaking planning studies and associated technical analysis (e.g. power quality investigations) to determine suitable/feasible connection options for further consideration by applicants</li> <li>○ liaising with groups representing multiple connecting parties (e.g. community group upgrades)</li> <li>○ site inspection in order to determine the nature of the connection service sought by the connection applicant and ongoing co-ordination for large projects</li> </ul> </li> </ul>	<p>Alternative control</p>
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<sup>11</sup> De-energisation services related to business as usual activities and de-energisation services that may relate to changing over meter types






	<ul style="list-style-type: none"> <li>o registered participant support services associated with connection arrangements and agreements made under Chapter 5 of the NER</li> </ul>	
Enhanced connection services*	<p>Other or enhanced connection services provided at the request of a customer or third party that include those that are:</p> <ul style="list-style-type: none"> <li>• provided with different levels of reliability of service or quality of service (where permissible) than required by the NER or any other applicable regulatory instruments. This includes reserve feeder installation and maintenance</li> <li>• in excess of levels of service or plant ratings required to be provided by the DNSP</li> <li>• management of export and load at a customer site that provides the customer greater network capacity than they would otherwise be eligible for</li> </ul>	Alternative control
<b>Public lighting - lighting services provided in connection with a distribution network</b>		
Public lighting	<ul style="list-style-type: none"> <li>• Operation, maintenance, repair and replacement public lighting services</li> <li>• Alteration and relocation of public lighting assets</li> <li>• New public lighting services incl. greenfield sites &amp; new light types (distributor provided)</li> <li>• Provision, construction and maintenance of emerging public lighting technology</li> </ul>	Alternative control

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