Final Decision

Ergon Energy Electricity
Distribution Determination
2025 to 2030
(1 July 2025 to 30 June 2030)

Attachment 13
Classification of services

April 2025



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1	30 April 2025	25

List of attachments

This attachment forms part of the Australian Energy Regulator's (AER's) final decision on the distribution determination that will apply to Ergon Energy for the 2025–30 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. Where an attachment has not been prepared, our draft decision reasons form part of this final decision. The final decision attachments have been numbered consistently with the equivalent attachments to our draft decision.

The final decision includes the following attachments:

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 8 – Efficiency benefit sharing scheme

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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 Our decision on the classification of services is set out in the relevant framework and approach paper (F&A).We set out our proposed approach to the classification of distribution services for Ergon Energy in our final F&A paper published in July 2023.²

This final decision relates to potential amendments to the final F&A for Ergon Energy. Our F&A decision applies unless we consider that a material change in circumstances justifies departing from that classification.³

13.1 Final decision

Our final decision is:

- to reclassify legacy metering services as standard control services (SCS). This
 maintains our draft decision, and is in line with our November 2023 Guidance Note⁴ and
 the recommendations outlined in the Australian Energy Market Commission's (AEMC)
 August 2023 final report of its metering services review.⁵ Ergon Energy accepted our
 draft decision in its revised proposal.⁶
- to include data services as a common distribution service, but to amend the definition to improve clarity. This maintains our draft decision and is consistent with our 2024–29 regulatory determination final decisions.⁷
- to not accept Ergon Energy's proposal to reclassify simple supply abolishment services (for small customer connections) from alternative control services (ACS) to SCS. This maintains our draft decision. We have not identified a material change in

¹ NER, cl. 6.12.1(1).

² AER, Final Framework and Approach - Ergon Energy and Energex 2025-30, July 2023.

³ NER, cl. 6.12.3(b).

⁴ AER, <u>Legacy metering services – Guidance note</u>, November 2023, p.1.

⁵ AEMC, <u>Final Report Review of the Regulatory Framework for Metering Services</u>, 30 August 2023, p. i; AER, <u>Draft Decision Attachment 13 - Classification of services - Ergon Energy - 2025-30 Distribution revenue</u> <u>proposal</u>, September 2024, p. 1.

Ergon Energy, <u>12.01 - Classification of Services</u>, November 2024, p. 3.

AER, <u>Draft Decision Attachment 13 - Classification of services - Ergon Energy - 2025-30 Distribution revenue proposal</u>, September 2024, p. 1.

circumstances that would justify our departure from the ACS classification in our final F&A paper for Ergon.⁸

While we do not accept Ergon Energy's revised proposal, we consider that if an urgent supply abolishment is needed to address a safety risk, and is not initiated by the customer or the retailer, it would fall within the SCS as an activity that relates to 'the planning, design, repair, maintenance, construction and operation of the distribution network' in the final F&A.⁹ We have added an additional line item to the 'Common distribution service' group to clarify this.

 to update terminology in connection services sections of Ergon Energy's service classification table to reflect changes arising from the AEMC's Integrating Energy Storage Systems rule change¹⁰ and the AER's October 2024 Connection Charge guidelines for electricity customers.¹¹

We discuss the reasoning for our final decision in section 13.4.

Subject to the changes identified above, our final decision maintains the remainder of the classifications as set in our final F&A paper published in July 2023. Appendix A sets out our detailed classification decision. We present changes in our classification approach, since our final F&A, in red text.

13.2 Ergon Energy's revised proposal

In our draft decision we made the following adjustments

- We reclassified legacy metering services from ACS to SCS.
- We included data services as a common distribution service.
- We did not accept Ergon Energy's proposal to reclassify abolishment services for small customers from ACS to SCS.

Ergon Energy provided a revised proposal with which it:

- Accepted our changes reclassifying legacy metering services from ACS to SCS and including data services as a common distribution service.
- Did not accept our decision to not reclassify abolishment services from ACS to SCS.

The below provides further detail on the changes proposed by Ergon Energy in its revised proposal.

⁸ AER, <u>Draft Decision Attachment 13 - Classification of services - Ergon Energy - 2025-30 Distribution</u> <u>revenue proposal</u>, September 2024, pp. 5, 9.

⁹ AER, Final Framework and Approach - Ergon Energy and Energex 2025-30, July 2023, p. 24.

¹⁰ AEMC, Integrating energy storage systems into the NEM, Rule determination, December 2021, pp. 103-4.

¹¹ AER, <u>Connection charge guidelines for electricity customers</u>, October 2024.

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

13.2.1 Metering services

Ergon Energy accepted our draft decision to reclassify legacy metering services to SCS for the 2025–30 revenue determination. This is in response to recommendations outlined in AEMC's August 2023 final report on metering services and is in line with our Legacy metering services - guidance note.¹³

13.2.2 Data services

Ergon Energy accepted our draft decision to amend the common distribution service definition to explicitly include a definition for data services.

- "provision of standardised data sets and/or data that is provided to a distributor, at no
 cost to the 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.

Our final decision amends this wording to provide additional clarity.

13.2.3 Supply abolishment services

Supply abolishment services refer to the removal of an electricity network connection between the network and a premise. This involves removal of a service/line cable and any other electrical asset owned by the DNSP such as the meter. Once the connection is removed, its National Metering Identifier (NMI) is retired or cancelled. Supply abolishment usually occurs for demolitions, relocations, or removals and in unsafe situations requiring immediate disconnection.

Ergon Energy did not propose to reclassify its supply abolishment services from ACS to SCS during the F&A process. As a result, the final F&A for the 2025–30 regulatory control period (published in July 2023) did not include any changes in relation to the classification of supply abolishment services and the services retained an ACS classification for the 2025–30 regulatory period. ¹⁴

Ergon Energy did not propose to reclassify supply abolishment services in its initial proposal. However, in May 2024, Ergon Energy requested AER staff reclassify the services from ACS to SCS. The request was made during our assessment of the initial proposal. Ergon Energy later noted in a response to an information request that the omission during the F&A process was an oversight.¹⁵

AEMC, <u>Final Report Review of the Regulatory Framework for Metering Services</u>, 30 August 2023, p. i; AER, <u>Legacy metering services – Guidance note</u>, November 2023, p.1.

AER, Final Framework and Approach - Ergon Energy and Energex 2025-30, July 2023, p. 29.

Ergon Energy, Response to AER information request - IR#086 – Supply Abolishment Services, February 2025, p. 2.

We considered the request in making our draft decision, but did not accept the reclassification on the following grounds:

- There is a clear single customer utilising this service, rather than it being a shared network service (which are generally classified as SCS).
- Other distributors offer supply abolishment services as ACS.
- We considered the network/retailer should be incentivised to pursue cost recovery from the customer benefiting from the service (or causing the costs of the service).

In its revised proposal, Ergon Energy retained its view that there is a case to change the service classification for *simple* supply abolishment services to SCS. That is for small customer connections. Ergon Energy proposed that more complex supply abolishments for large customer applications would remain as SCS.¹⁷

Ergon Energy accepted that supply abolishment costs are customer-specific, aligning with a typical ACS. However, Ergon Energy noted that a rise in the number of small customers avoiding fees by vacating properties without requesting supply abolishment, was leading to safety risks at demolition or relocation sites requiring urgent action. Ergon Energy considered that reclassification of the supply abolishment service for small customers as SCS would remove fee-related disincentives and enhance safety.¹⁸

Ergon Energy acknowledged this reclassification would shift costs to all customers through network charges but argued that public safety benefits outweigh a user-pays approach. Ergon Energy stated that its proposal aligns with classification decisions applied to distributors in Victoria and Tasmania and believed amending the F&A to address safety risks and ensure consistency warrants the AER's consideration. ¹⁹

Ergon Energy's revised proposal introduced the following changes to its proposed service classification regarding the supply abolishment of small customer connection: ²⁰

Table 13.1 Ergon Energy's proposed classification of supply abolishment services

Service Group	Further Description ¹	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	The suite of activities that includes, but is not limited to, the following: 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) supply abolishment of small customer connection?	Standard control	Standard control

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.

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.

¹⁶ AER, <u>Draft Decision Attachment 13 - Classification of services – Ergon Energy - 2025-30 Distribution</u> <u>revenue proposal</u>, September 2024, pp. 5, 9.

¹⁷ Ergon Energy, <u>12.01 - Classification of Services</u>, November 2024, p. 4.

Ergon Energy, <u>12.01 - Classification of Services</u>, November 2024, pp. 4-6.

¹⁹ Ergon Energy, <u>12.01 - Classification of Services</u>, November 2024, pp. 4-5.

²⁰ Ergon Energy, <u>12.01 - Classification of Services</u>, November 2024, p. 6.

13.2.4 Connection services

Ergon Energy submitted revised connection policies to the AER on 17 January 2025, after submitting its revised proposal in November 2024. The revisions include:

- amendments to terminology to account for amendments to the NER as a result of the Integrating Energy Storage Systems rule change; and
- an amendment to section 4.3.3 (shared network augmentation threshold) to be consistent with s. 1.1.5 of the updated AER Connection Charge Guideline, i.e. inclusion of "for customers connected at low voltage".

Ergon Energy also provided us with a revised service classification table reflecting the updated terminology in the connection services group sections as follows:

Table 13.2 Ergon Energy's changes to account for updates to connection policies

Service Group	Further Description ¹	Current Classification 2020-25	Proposed classification 2025-30
Connection services –	services relating to the electrical or physical connection of a customer to the network	7	
Basic connection services - premises connections	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 DER provider's premises) in the following circumstances: (a) either: (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 resource operator; and	A Standard control	A. Standard control
Connection application and management services	customer requested change requiring secondary and printary plant studies for safe operation of the network (e.g., change protection settings) 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 distribution connected 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	Alternative control	Alternative control
Enhanced connection services ²⁴	Other or enhanced connection services at the request of a customer or third party include those that are: • 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. • io.excess.of levels of service or plant ratings required by the distributor. • for embedded generators distribution connected units, including the removal of network constraints.	Alternative control	Alternative control
Access permits, oversight and facilitation	distributor assets. facilitation of distribution connected unit 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

13.3 AER's assessment approach

Our assessment approach is guided by the Electricity Distribution Service Classification Guideline 2022 (service classification guideline)²¹, which in turn applies the principles for service classification set out in the NER.²²

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

²¹ AER, <u>Electricity Distribution Service Classification Guideline</u>, August 2022.

²² NER cls. 6.2.1 and 6.2.2.

- 1. We must first identify 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.²³ 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'.²⁴
- 2. We consider whether economic regulation of the service is necessary,²⁵ having regard to the form of regulation factors.²⁶ When we do not consider economic regulation is warranted, we will not classify the service and it will remain an unregulated distribution service. If economic regulation is necessary, we consider whether to classify the service as either a direct control service or a negotiated distribution service.
- 3. When we consider that a service should be classified as a direct control service, we then further classify it as either a standard control or alternative control service.

Further detail of our assessment approach for classifying a service is set out in Section 2 of our final F&A for Ergon Energy.²⁷

13.3.1 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.

NER, chapter 10, glossary.

NER, chapter 10, glossary.

²⁵ AER, *Electricity Distribution Service Classification Guideline*, August 2022

²⁶ NER, cl. 6.2.1(c).

²⁷ AER, *Final Framework and Approach - Ergon Energy and Energex 2025-30*, July 2023, pp. 3-8.

13.4 Reasons for final decision

13.4.1 Metering services

Our reasons for changing the classification of legacy metering services to SCS from ACS are set out in our draft decision. Ergon Energy accepted our draft decision.²⁸

13.4.2 Data services

Our final decision is to maintain the substance of our draft decision to amend the common distribution service definition to explicitly include 'data services' and to specify the provision of standardised data sets, and other data in accordance with NER obligations. However, we have amended the definition:

- to provide additional clarity, in response to concerns raised in SA Power Networks' revised proposal, that including this item in the service classification table is not intended to impose additional obligations beyond those set out in the energy rules.
- to take into account the progress, since our draft decision, of the AEMC's metering review.²⁹

For consistency, our final decision also amends the service description for of the provision of electricity network data under alternative control services.

Table 13.3 Final decision amendment to the service classification table for data services

Service group	Description*	Classification
Common distribution services	The provision of standardised data sets, and/or other data, that is provided to a distributor, at no cost to the distributor, where the data is required to be provided free of charge in accordance with obligations under the Rules.	Standard control
Ancillary network service – Provision of electricity network data	Data requests by customers or third parties for the provision of electricity network data beyond standardised data sets or obligations to provide the data free of charge under the Rules. Additional services related to network data requests	Alternative control
	including provision of advice and interpretation.	

^{*}Red strike-out text reflects deletion of draft decision text. Green text reflects addition to draft decision text.

13.4.3 Supply abolishment services

Our final decision is to not accept Ergon Energy's proposal to reclassify simple supply abolishment services (for small customer connections) from ACS to SCS.

AER, <u>Draft Decision Attachment 13 - Classification of services – Ergon Energy - 2025-30 Distribution revenue proposal</u>, September 2024, pp. 7.

²⁹ AEMC, *Real-time data for consumers, Directions Paper*, 30 January 2025.

We are open to considering changes to service classification where there may be an urgent need to address safety concerns. In this instance, we consider that if an urgent supply abolishment is needed to address a safety risk, and is not initiated by the customer or the retailer, it would already fall within the SCS as an activity that relates to 'the planning, design, repair, maintenance, construction and operation of the distribution network' in the final F&A.

30 We have included an additional line item to the 'Common distribution service' group to clarify this.

13.4.3.1 Our assessment of the revised proposal

The NER requires that the classification of services, which identify the regulated services that a DNSP can provide over the regulatory period, be settled in the final F&A. This was competed in July 2023 for Ergon Energy.

If a network such as Ergon Energy wants to change or introduce a service, it can propose a change in its initial or revised proposal. In order to depart from the service classification in the F&A the proposed change must be justified by a material change in circumstances (Clause 6.12.3(b)).

As part of our assessment, we considered whether there has been a significant increase in customers failing to request supply abolishment and a corresponding rise in safety incidents. We also assessed whether the nature of safety incidents has materially changed. Based on the available information, we did not find clear evidence of a material change in circumstances since our final F&A published in July 2023.³¹

Following requests for information, Ergon Energy provided data on long-term disconnects (services disconnected for over two years without abolishment) and safety incidents requiring urgent supply abolishment.³² However, there was no clear indication of a significant increase in safety incidents or a correlation between long-term disconnects and safety risks from 2022 to 2024.

Ergon Energy did not engage with stakeholders on this proposed change, but CCP30 supported its proposal.³³ CCP30 noted it had witnessed customers 'walking away' from a vacant premise without paying an abolishment fee and the high risk of electrical assets when a property is in the demolition phase with power still connected. It also stated the proposed reclassification is consistent with the application as SCS in other states. We acknowledge these views, but note that CCP30 did not give consideration to whether there had been a material change in circumstances since the final F&A.

We acknowledge that there is an incentive for customers to seek to avoid the supply abolishment service fee, leading to public safety risks. To nullify this incentive, it could be consistent with rule 6.2 of the NER for the service to be classified as a SCS and a shared network service. However, given the lack of supporting evidence provided to demonstrate a

³⁰ AER, *Final Framework and Approach - Ergon Energy and Energex 2025-30*, July 2023, p. 24.

³¹ AER, *Final Framework and Approach - Ergon Energy and Energex 2025-30*, July 2023.

Ergon Energy, Response to AER information request - IR#086 – Supply Abolishment Services, 28 February 2025, pp. 3-4.

³³ CCP30, Advice to the AER regarding the Draft Decision and Revised Regulatory Proposal 2025-30 Ergon Energy, January 2025, p. 37.

material change in circumstances we do not accept the proposal to reclassify supply abolishment services for small customers to SCS. We consider that this decision would be better taken at the F&A stage of a determination process as we did for TasNetworks and the Victorian distributors.³⁴

Nevertheless, where Ergon Energy needs to carry out supply abolishment urgently to address a safety risk, and the supply abolishment is not initiated by the customer or retailer, this would already fall within the 'Common distribution service' SCS as an activity that relates to 'the planning, design, repair, maintenance, construction and operation of the distribution network' in the final F&A.³⁵ Such supply abolishment works would be initiated by the distributor, and would therefore be outside of the ACS service description. This is because that ACS service description refers to works to remove a connection that are initiated by a customer or retailer.

We have therefore amended the service classification to include a line item under 'Common distribution service' SCS as follows: "supply abolishment initiated other than by the customer or the retailer". This does not constitute a change to the service classifications set out in the F&A paper, but rather clarifies an already existing service classification. We consider that this can be used as an interim mechanism for the purposes of the 2025–30 distribution determination.

13.4.4 Connection services

In its revised connection policies (submitted on 17 January 2025), Ergon Energy proposed adjustments to connection policies terminologies to account for the AEMC's Integrating Energy Storage Systems Rule change³⁶ and the AER's updated Connection Charge guidelines³⁷ in October 2024 to reflect the new terminology as per the rule change.

We consider that the commencement of the amendments introduced by the Integrating energy storage systems into the NEM rule change and the AER's updated Connection charge guidelines (published in October 2024) are a material change in circumstance that justifies departing from the service classifications as set out in the final F&A paper (clause 6.12.3(b) of the NER). Consequently, we have updated terminology in the relevant sections of Ergon Energy's service classification table.

We consider the proposed amendments in terminology will not alter the meaning of the connection policies or impact connecting customers and/or stakeholders with respect to determining charges for connection services.

9

AER, <u>Final framework and approach for AusNet Services, CitiPower, Jemena, Powercor and United Energy, January 2019</u>, pp. 25, 99; AER, <u>Final framework and approach for TasNetworks for the 2024-29 regulatory control period</u>, July 2022, pp. 28, 62.

³⁵ AER, *Final Framework and Approach - Ergon Energy and Energex 2025-30*, July 2023, p. 24.

³⁶ AEMC, <u>Integrating energy storage systems into the NEM, Rule determination</u>, December 2021, pp. 103-4.

AER, <u>Connection charge guidelines for electricity customers</u>, October 2024.

Table 13.4 Final decision amendment to the service classification table for connection terminologies

Service group	Description*	Classification
Basic connection services - premises connections	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 DER provider's premises) in the following circumstances:	Standard control
	(a) either:	
	 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 resource operator; and 	
Connection application and management services	 Calculation of a site specific distribution loss factor on request in respect of a generating distribution connected 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 	Alternative control
Enhanced connection services	for embedded generators distribution connected units, including the removal of network constraints.	Alternative control
Access permits, oversight and facilitation	facilitation of generator distribution connected unit connection and operation of the network.	Alternative control

^{*}Red strike-out text reflects deletion of draft decision text. Green text reflects addition to draft decision text.

Shortened forms

Term	Definition
ACS	Alternative control service
AEMC	Australian Energy Market Commission
AER	Australian Energy Regulator
DER	Distributed energy resources
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 final decision on service classification of Ergon Energy and Energex's distribution services 2025–30 (Mark-up)

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

Service Group	Further Description ³⁸	Current Classification 2020–25	Proposed classification 2025–30
Common distribution s	service-use of the distribution network for the conveyance/flow of electricity (inclu	ding the services relating to	network integrity)
Common distribution service	 The suite of activities that includes, but is not limited to, the following: the planning, design, repair, maintenance, construction and operation of the distribution network supply abolishment initiated other than by the customer or the retailer 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 network³⁹ 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 the provision of standardised data sets, and/or other data, where the data is required to be provided free of charge in accordance with obligations under the Rules.⁴⁰ training internal staff and contractors undertaking direct control services. activities related to 'shared asset facilitation' of distributor assets⁴¹ 	Standard control	Standard control

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.

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

Rules means the National Electricity Rules or the National Energy Retail Rules.

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 ³⁸	Current Classification 2020–25	Proposed classification 2025–30
	 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 rectification of simple customer faults where: the need for rectification work is discovered in the course of the provision of distribution services the work performed is the minimum required to restore safe supply 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 (NMIs) 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 activities⁴² Such services do not include a service that has been separately classified, including any activity relating to that service. 		
Connection services	services relating to the electrical or physical connection of a customer to the net	work ⁴³	
Basic connection services - premises connections	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 DER provider's premises) in the following circumstances:	A. Standard control	A. Standard control
	(b) either:		

⁴² Includes simple customer fault rectification on generation service of regulated SAPS.

⁴³ Applies to both NER chapter 5 and 5A connections

Service Group	Further Description ³⁸	Current Classification 2020–25	Proposed classification 2025–30
	 (3) the retail customer is typical of a significant class of retail customers who have sought, or are likely to seek, the service; or (4) the retail customer is, or proposes to become, a micro embedded generator resource operator; and (c) the provision of the service involves minimal or no augmentation of the distribution network; and (d) a model standing offer has been approved by the AER for providing that service as a basic connection service Premises connections are new connection assets located on the customer's premises for: A. small customers. 44 		
Standard connection services – premises connections	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. Premises connections are new connection assets located on the customer's premises for: A. large customers. ⁴⁵ B. small customers. ⁴⁶	A. Alternative control B. Standard control	A. Alternative control B. Standard control
Standard connection services – network extension	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.	A. Alternative control B. Standard control	A. Alternative control B. Standard control

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.

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.

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 ³⁸	Current Classification 2020–25	Proposed classification 2025–30
	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:	C. Standard control	C. Standard control
	A. a new or altered large customer connection ⁴⁷ , 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.		
	B. a new or altered large customer connection ⁴⁸ , 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).		
	C. a new or altered small customer connection. 49		
Standard connection services – Augmentations	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.	A. Standard control B. Standard control	A. Standard control B. Standard control
	Augmentation means		
	any shared network enlargement/enhancement undertaken by a distributor, which is not an extension, to facilitate:		
	A. a new or altered large customer connection. ⁵⁰		

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.

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.

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.

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 ³⁸	Current Classification 2020–25	Proposed classification 2025–30
	B. a new or altered small customer connection. 51		
Negotiated connection services – premises connections	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.	A. Alternative control B. Standard control	A. Alternative control B. Standard control
	Premises connections are new connection assets located on the customer's premises for:		
	A. large customers. ⁵²		
	B. small customers. 53		
Negotiated connection	Means a connection service (other than a basic connection service or standard	A. Alternative control	A. Alternative control
services – Network extensions	connection service) for which a DNSP provides a connection offer for a negotiated connection contract.	B. Standard control	B. Standard control
	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:	C. Standard control	C. Standard control
	A. a new or altered large customer connection, ⁵⁴ 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.		

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.

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.

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.

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 ³⁸	Current Classification 2020–25	Proposed classification 2025–30
	B. a new or altered large customer connection, ⁵⁵ 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). C. a new or altered small customer connection. ⁵⁶		
Negotiated connection services – Augmentations	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.	A. Standard control B. Standard control	A. Standard control B. Standard control
Augmentations	Augmentation means any shared network enlargement/enhancement undertaken by a distributor, which is not an extension, to facilitate:		
	A. a new or altered large customer connection. ⁵⁷ B. a new or altered small customer connection. ⁵⁸		
Connection application and management services	Works initiated by a customer or retailer which are specific to the connection point. Includes, but is not limited to: Connection application related services de-energisation ⁵⁹ 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	Alternative control	Alternative control

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.

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.

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.

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.

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 ³⁸	Current Classification 2020–25	Proposed classification 2025–30
	 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) 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 distribution connected 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 ⁶⁰	Other or enhanced connection services at the request of a customer or third party include those that are: • provided with higher quality of reliability standards, or lower quality of reliability standards (where permissible) than required by the NER or any	Alternative control	Alternative control
	 other applicable regulatory instruments. in excess of levels of service or plant ratings required by the distributor. for embedded generators distribution connected units, including the removal of network constraints. 		

Metering services⁶¹ activities relating to the measurement of electricity supplied to and from customers through the distribution system (excluding network meters)

⁶⁰ Includes for both consumption and export services.

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.

Service Group	Further Description ³⁸	Current Classification 2020–25	Proposed classification 2025–30
Type 1 to 4 metering services	Type 1 to 4 metering installations ⁶² 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 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: 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: 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 	Alternative control	Alternative control

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

Service Group	Further Description ³⁸	Current Classification 2020–25	Proposed classification 2025–30
Type 5 and 6 meter installation and	 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 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- 	Note – Ergon only Alternative control	Note – Ergon only Alternative control
provision (Mount Isa- Cloncurry supply network only)	Cloncurry supply network. Load control services provided by a type 5 or 6 metering installation are grouped with metering services and classified alternative control. 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.	Alternative control	
Types 5 and 6 meter maintenance, reading and data services (Mount Isa-Cloncurry Network)	 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)	Metering services offered by Ergon Energy Network in the Mount Isa-Cloncurry supply network for type 5 and 6 metering installations: • Provision and installation of instrument transformers for type 5 and 6 metering purposes 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	Note – Ergon only Alternative control	Note – Ergon only Alternative control
Emergency supply restoration in relation	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

Service Group	Further Description ³⁸	Current Classification 2020–25	Proposed classification 2025–30
to metering equipment not owned by the distributor			
Meter recovery and disposal – type 5 and 6 (legacy meters)	 Activities include the removal and disposal of a type 5 or 6 metering installation: at the request of the customer or their agent, where an existing type 5 or 6 metering installation remains installed at the premises and a replacement meter is not required. at the request of the customer or their agent, where a permanent disconnection has been requested where it has not been removed and disposed of by the incoming metering provider. 	Alternative control	Alternative control
Distributor arranged outage for purposes of replacing meter Network ancillary serv	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. ices – services closely related to common distribution services but for which a separate of the retailer planned interruption cannot be conducted.	Alternative control parate charge applies	Alternative control
Access permits, oversight and facilitation	 Activities include: 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 distribution connected unit connection and operation of the network. 	Alternative control	Alternative control

Service Group	Further Description ³⁸	Current Classification 2020–25	Proposed classification 2025–30
	facilitation of activities within clearances of distributor's assets, including physical and electrical isolation of assets.		
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	 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 easement details, site visits, assessing supply availability, liaising with developers if errors or changes are required and preparing notifications of arrangement Provision of a completion notice (other than a notice of arrangement). This applies where the 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. 	Alternative control	Alternative control
Network related property services	Activities include: 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	 Examples include: 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

Service Group	Further Description ³⁸	Current Classification 2020–25	Proposed classification 2025–30
Customer requested	Examples include:	Alternative control	Alternative control
planned interruption	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).		
Attendance at customers' premises to perform a statutory right where access is prevented.	A follow up attendance at a customer's premises to perform a statutory right where access was prevented or declined by the customer on the initial visit. This includes the costs of arranging, and the provision of, a security escort or police escort (where the cost is passed through to the distributor).	Alternative control	Alternative control
Inspection and	Activities include:	Alternative control	Alternative control
auditing services	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 hours ⁶³ 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.		
Provision of training to third parties for	Training services provided to third parties that result in a set of learning outcomes that are required to obtain a distribution network access authorisation specific to a distributor's network. Such learning outcomes may include those necessary to	Alternative control	Alternative control

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 ³⁸	Current Classification 2020–25	Proposed classification 2025–30
network related access	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.		
Authorisation and approval of third party service providers' design, work and materials	Activities include: authorisation or re-authorisation of individual employees and subcontractors of third party service providers and additional authorisations at the request of the third party service providers (excludes training services). acceptance of third party designs and works. assessing an application from a third party to consider approval of alternative material and equipment items that are not specified in the distributor's approved materials list.	Alternative control	Alternative control
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	Data requests by customers or third parties for the provision of electricity network data beyond obligations to provide the data free of charge under the Rules. including requests for the provision of electricity network data or consumption data outside of legislative obligations.	Alternative control	Alternative control
	Additional services related to network data requests including provision of advice and interpretation.		
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	ng services provided in connection with a distribution network		

Service Group	Further Description ³⁸	Current Classification 2020–25	Proposed classification 2025–30
Public lighting	Includes the provision, construction and maintenance of public lighting and emerging public lighting technology.	Alternative control	Alternative control
Unregulated distribution	on 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
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