Attachment B – TasNetworks' Annual Pricing Proposal Overview 2025-26

As submitted to the Australian Energy Regulator

31 March 2025

Public

TasNetworks | Powering a Bright Future

Version	Date	Autor initials
[V 0.0]	29/11/2024	NN
[V 0.1]	21/03/2025	KF

Disclaimer

TasNetworks (which, for the purposes of this disclaimer, includes all of its related bodies corporate, its officers, employees, contractors, agents and consultants) makes no representation or warranty (express or implied) as to the accuracy, reliability, or completeness of the information contained in this document, or its suitability for any intended purpose. TasNetworks has no liability for any loss or damage (be it direct or indirect) arising out of, or in reliance on, any statements, opinions, information, or matter contained in, or derived from, the information in this document.

TasNetworks acknowledges the palawa (Tasmanian Aboriginal community) as the original owners and custodians of lutruwita (Tasmania). TasNetworks, acknowledges the palawa have maintained their spiritual and cultural connection to the land and water. We pay respect to Elders past and present and all Aboriginal and Torres Strait Islander peoples.

Contents

Glossary

Term or Abbreviation	Description
ACS	Alternative Control Services
AER	Australian Energy Regulator
ARENA	Australian Renewable Energy Agency
Augmentation	Investment in new network assets to meet increased demand
Capacity	The amount of electrical power that a part of the network is able to carry
CER	Consumer Energy Resources (previously referred to a Distributed Energy Resources (DER)), e.g., solar PVs, batteries, electric vehicles
Controlled load	The DNSP controls the hours in which the supply of electricity is made available
Cost reflective pricing	Pricing which is indicative of the true cost of supplying or providing a service
DCCEEW	Department of Climate Change, Energy, the Environment and Water
Demand	Electricity consumption at a point in time
Demand management	The ability for DNSPs to constrain customers demand at critical times and attempt to modify customer behaviour
Distribution network	The assets and services that carry the electricity conveyed from generators by the high voltage transmission network and deliver it to individual customers at the lower voltages to operate lighting, heating, appliances and industrial equipment
DNSP	Distribution Network Service Provider e.g., TasNetworks
DPPC	Designated Pricing Proposal Costs also referred to in this document as Transmission Use of Systems (TUOS)
DUoS	Distribution Use of System. The utilisation of the distribution network in the provision of electricity to distribution customers
HV	High voltage
ITC	Individual Tariff Calculations
kV, kVA	Kilovolt, Kilovolt Ampere

Term or Abbreviation	Description
kW, kWh	Kilowatt, Kilowatt hour
LRMC	Long run marginal cost
MVA	Megavolt ampere
NEL	National Electricity Law
NEM	National Electricity Market
NER, the Rules	National Electricity Rules
Network tariff	Network price parameters and conditions of supply for a network tariff class
Network tariff class	A class of retail customers for one or more direct control services who are subject to a particular network tariff or class of network tariffs with similar electricity demand and usage
NUOS	Network Use of System. Reflects the combination of NUoS and TUoS as the utilisation of the total electricity network in the provision of electricity to consumers.
Price signal	Information conveyed to end users of electricity via the prices charged for a network service, which provides a signal about the true cost of providing a service and/or the value
PV	Photo Voltaic, solar PV panels
Retailer	A business that buys electricity from generators, packages it with the network services (for transportation of the electricity) and sells it to consumers/end users
SCS	Standard Control Services
TAR	Total Allowable Revenue
TEC	Total Efficient Cost
TNSP	Transmission Network Service Provider
ToU	Time of Use
TSS	Tariff Structure Statement 2024-2029
TUOS	Transmission Use of System

Term or Abbreviation	Description
Unmetered Supply	A connection to the distribution system which is not equipped with a meter and for which the consumption of electricity is estimated, e.g., public lights, traffic lights, phone boxes are not normally metered

Introduction

Annual pricing proposal

The National Electricity Rules (**NER**) require that prior to the beginning of each regulatory year, TasNetworks, as the operator of an electricity distribution network within the National Electricity Market (**NEM**), must submit an Annual Pricing Proposal for the Australian Energy Regulator's (**AER**) approval.

The purpose of this Supplementary document is to:

- provide interested customers and stakeholders with a guide to TasNetworks' network tariffs and service charges for 2025-26.
- set out the network tariffs which TasNetworks is proposing to apply in the coming regulatory year (2025-26) for standard control services (**SCS**), as well as the prices it proposes to charge for a range of alternative control services (**ACS**).

Our network tariffs have been developed in accordance with the NER and the methodologies described in our 2024-2029 Tariff Structure Statement (**TSS**) and are designed to efficiently recover the regulated costs of providing distribution services from our customers. The classification of the services, network tariff classes and network tariff structures reflected in this Annual Pricing Proposal reflect those detailed in the TSS as approved by the AER in April 2024.

Supporting documents

The Annual Pricing Proposal has a range of documents which are intended to assist external parties understand the development and application of network tariffs and prices for Direct Control Services (SCS and ACS). This overview document is supported by:

2025-26 Annual Pricing Documents

- Attachment A: Statement of Compliance 2025-26
- Standard Control Services pricing model 2025-26
- Alternative Control Services pricing model 2025-26

2024-2029 Revenue Reset Documents

- 2024-2029 Tariff Structure Statement
- 2024-2029 Tariff Structure Explanatory Statement
- 2024-2029 Alternative Control Services
- 2024-2029 Control Mechanisms

2024-2029 Application Guides

- 2024-2029 Network Tariff Application Guide
- 2024-2029 Metering Application Guide
- 2024-2029 Public Lighting Application Guide
- 2024-2029 Ancillary Services – Fee-based Services Application Guide
- 2024-2029 Ancillary Services – Quoted Services Application Guide

These documents can be located on our website which also includes various factsheets on our network tariffs and network tariff reform:

https://www.tasnetworks.com.au/Poles-and-wires/Pricing/Our-Prices

About TasNetworks

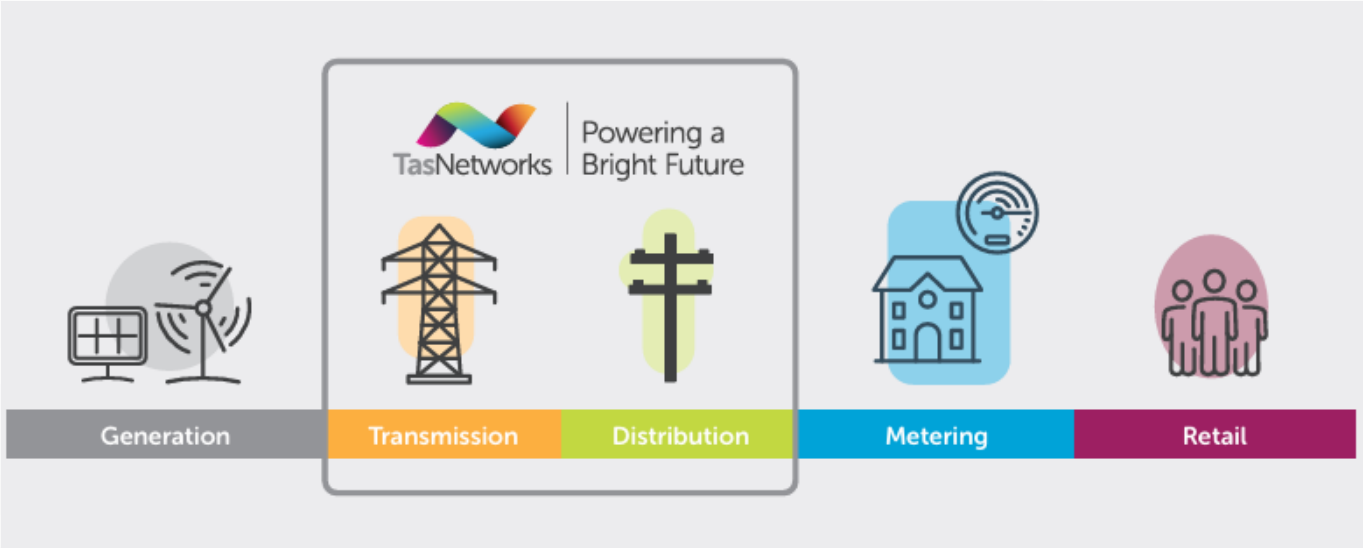
Delivering power to Tasmanians

TasNetworks is a combined Distribution Network Service Provider (**DNSP**) and Transmission Network Service Provider (**TNSP**) which owns and operates Tasmania's transmission and distribution electricity networks.

In other parts of the country, ownership of the high voltage transmission network (that connects power stations to the network) and ownership of the lower voltage distribution network (that delivers power down every street) is generally separated. But in Tasmania, TasNetworks provides both transmission network services (via the large metal towers and lines) and distribution network services (via the poles and wires), as shown in Figure 1.

The Annual Pricing Proposal relates to services being provided on TasNetworks' distribution network, which takes the high voltage power from the transmission network and delivers low voltage electricity to Tasmanian households, businesses, and organisations throughout the State, ensuring our customers receive a safe, reliable, and affordable supply of electricity.

Figure 1. TasNetworks' role in the energy supply chain

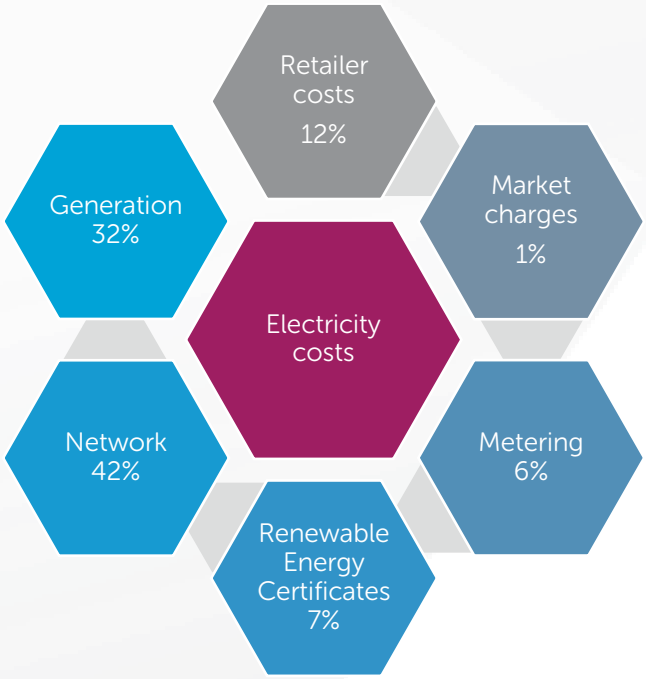


How our network charges are regulated

The amount of revenue we are allowed to recover from our customers is approved by the AER. Every five years[1] the AER sets our revenue allowances in advance, and then each year it approves the network prices we charge to recover our revenue allowance in the following year. Our annual revenue allowances reflect updated external parameters (such as inflation) and include a number of annual revenue adjustments.

The charges that customers see on their electricity bill include the cost of delivering power to homes and businesses (network charges), the cost of generation and the cost of providing retail services. The network charges make up approximately forty-two per cent of the cost of electricity for most households and small businesses in Tasmania (Figure 2). Network tariffs are the fees and charges we use to recover the cost of building, running, and maintaining the electricity network in Tasmania. Every household, business and organisation connected to the network contributes towards this cost. However, rather than bill customers directly for their use of the network, we charge their retailer, who then passes the cost of the network on to customers through the retail tariffs that appear on their power bills.

Figure 2. Indicative cost components of electricity costs for a typical residential or small business customer[2]



[1] On 30 April 2024, the Australian Energy Regulator approved TasNetworks' 2024-2029 Revenue Proposal for the period commencing on 1 July 2024.
[2] Office of the Tasmanian Economic Regulator - Standing Offer Determination 2024-25

The services we provide

As part of the five yearly regulatory process the first step is the determination of which services will be regulated and how. Services the AER determine need price regulation are termed direct control services. These are then further classified as standard or alternative control services (Figure 3).

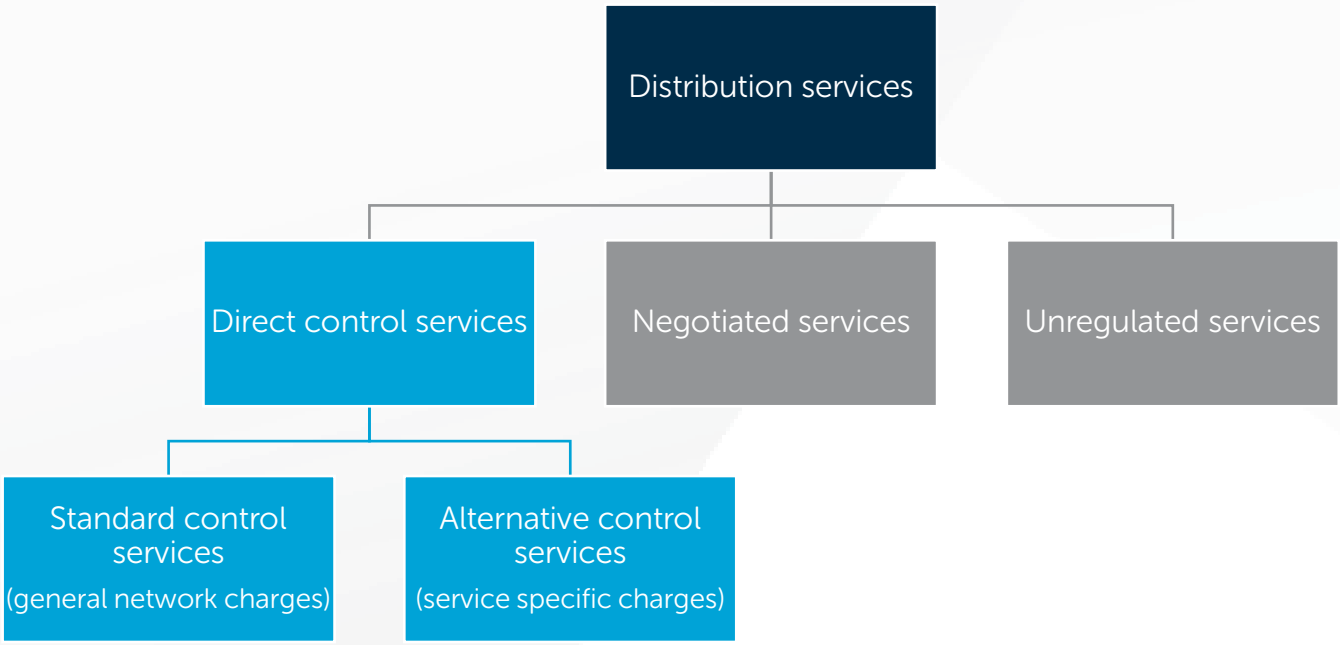
Standard control services (**SCS**) refer to the regulation of the amount of revenue that TasNetworks is permitted to recover. This means that TasNetworks' revenue, which is generated through general distribution network charges (**network tariffs**), is capped by the AER. This revenue pays for the building, running and maintenance of the electricity distribution network.

General distribution network services are relied on by most (if not all) customers.

Alternative control services (ACS) refer to services where the costs – and the associated benefits from the service – can be directly attributed to a particular customer (for example, where a customer requests a service). For these services, instead of setting a revenue cap, the AER caps the prices that can be charged or sets the input costs that can be used by TasNetworks to quote jobs.

TasNetworks' ACS include regulated metering services for small customers, ancillary services (quoted services and fee-based services) and public lighting.

Figure 3. The services provided by TasNetworks'



Standard control services

Network tariffs

Network tariffs are designed to recover TasNetworks' approved revenue allowance, to pay for building, running and maintaining the electricity distribution network.

Our network tariff structures typically consist of some of the following charging parameters[3]:

- **Service/capacity charge:** this is a daily charge providing access to the distribution network, it provides the ability for the customer to connect to the network.
- **Consumption/energy charge:** this is a volume charge in which retail customers are charged for the amount of energy they consume.
- **Demand charge**: this relates to the rate that energy is used, it is directly linked to the maximum demand at a given point in time.

To reflect the level of demand collectively being placed on the electricity network by all customers, some network tariffs include parameters that are further split into time periods, such as the time of day, the day of the week or seasons. These are known as **time of use** network tariffs, and typically apply higher charges in times of high network utilisation (peak periods), and lower charges when there is less demand on the network (shoulder and off-peak periods).

Tariff assignment procedures and policies and further information (e.g. charging windows) are contained in the TSS and Network Tariff Application Guide.

Network tariff classes

Customers with similar characteristics (i.e., based on the nature and extent of their usage, their connection to the network and their metering technology) are grouped together to ensure that retail customers with similar connections and usage profiles are treated on an equal basis. These groupings are known as our 'network tariff classes'.

Each network tariff class will have one or more network tariffs which can be applied to customers within that class. There are a small number of network tariffs which customers may be eligible across multiple tariff classes[4].

[3] Refer to section 4.1 of the Tariff Structure Statement 2024-2029
[4] Refer to section 2 of the Tariff Structure Statement 2024-2029 and chapter 7.7 in the 2024-2029 Tariff Structure Explanatory Statement

Pricing strategy

TasNetworks' pricing strategy is to provide network tariff options that best meet the needs of our customers and reduce long term network expenditure. This involves adjusting the prices of our existing network tariffs by unwinding some long-standing cross subsidies and developing new network tariffs that incentivise customers to shift their energy usage outside of peak times.

These measures aim to encourage customers to use the network more efficiently and is referred to as 'cost reflective pricing'. The purpose of cost reflective pricing is to deliver a pricing signal to customers during periods of peak demand. Reducing peak demand may reduce the need for future augmentation investment, thereby reducing costs for customers over the long term. Cost reflective pricing also provides better signalling of future costs for those customers wanting to use more electricity, particularly in peak times.

Each regulatory control period provides the opportunity to review our strategy progression and ensure we are keeping pace with changing customer needs and technology uptake.

For the 2024-2029 regulatory control period, we have:

- introduced new embedded network tariffs
- refined the existing residential consumer energy resources (**CER**) network tariff and the small business time of use consumption tariff
- refined our tariff assignment rules to reflect our tariff strategy.

Each year, as we progress through the regulatory control period, we will continue the gradual process of unwinding the discounts that exist in some of our network tariffs and undertake tariff trials to inform tariff settings for the next regulatory control period (2029-2034).

Figure 4. TasNetworks' tariff reform strategy

Pricing principles

TasNetworks' pricing principles guide the development of our network tariffs and products, which help us refine our service offerings to meet the expectations of our customers.

Affordable

We offer an essential service and recognise that customers want affordability in the delivered cost of electricity. To support this, we will ensure sustainable network investment and that customers experiencing vulnerability will not be exposed to hardship as a result of our pricing or network tariff reforms.

Fair

We will provide transparent and cost reflective pricing signals so that all customers contribute to their portion of total network costs.

Consistent

We will avoid creating price shocks for customers and minimise upward pressure on the delivered cost of electricity.

Innovative

We will investigate innovative solutions that meet the changing needs of our customers and changes in technology.

Simple

Our network pricing will be both cost reflective and easy for our customers, retailers and stakeholders to understand.

Choice

We will not stand as a barrier for customers who invest in consumer energy resources, such as solar generation and battery storage. Our pricing will provide choice to our customers to best meet their energy needs, while not imposing on the needs of others or the network.

2025-26 Annual prices

Network charges are used to recover the cost of building, running, and maintaining what is referred to as the 'shared' distribution electricity network – the network that is relied upon by all customers. The shared network includes things like the overhead power lines and underground cables that deliver electricity to every property, our depots and even the vehicles our field crews need to work on the network.

The cost of the shared network that we seek to recover from customers also includes the cost of responding to emergency outages, replacing old or failing assets, extending the network into new areas and trimming trees to keep them away from power lines.

Rather than setting prices, the AER caps the amount of revenue we can collect from our customers to pay for shared network services. Most of our revenue is earned through network tariffs and it is these charges that retailers use as an input to customers' electricity bills.

TasNetworks submits its revenue proposal to the AER for approval every five years. The 2024-2029 proposal was developed during a time of significant energy transition, economic uncertainty and rising cost of living pressures. The outcomes from our proposal have been included in the development of our 2025-26 network charges.

Network bill impacts

Summary of average customer bill impacts

On average, customers are expected to experience an increase of approximately nine per cent in their 2025-26 network charges compared with their 2024-25 charges. The tables below show the typical outcomes for our largest residential and small business tariffs.

Table 1. Average customer network bill impacts ($, Nominal)

Network Tariff		Usage (kWh/year)	2024-25 ($, Nominal)	2025-26 ($, Nominal)	Annual change ($)	Annual change (%)
TAS93	Residential time of use consumption	7,834	$868	$948	$80	9.1%
TAS31/41	Residential flat rate tariff	7,834	$898	$982	$84	9.3%
TAS94	Small business time of use consumption	33,574	$3,108	$3,392	$284	9.1%
TAS22	Small business flat rate tariff	33,574	$3,696	$3,974	$278	7.5%

A summary of average annual network bill impacts for typical residential customers and small business customers are presented below.

Key drivers of network price changes

This change in network prices is driven by:

- Increases in the amount of depreciation we can recover from our assets due to changes in inflation.
- A significant increase in interest rates in the previous regulatory period (2019-2024), set by the Reserve Bank of Australia, resulting in a higher return on investment for TasNetworks for the 2024-2029 regulatory period.
- Higher forecast costs for items such as insurance and cyber security.

TasNetworks' network charges for 2025-26 comprise of the following components, which together are referred to as Network Use of System (**NUOS**) charges:

- **Distribution Use of System (DUOS) charges**: This is the revenue that TasNetworks receives to fund its investment in and the maintenance of its distribution network.
- **Transmission Use of System (TUOS)[5] charges**: This is a pass through to customers to recover costs related to the use of the transmission network, including TUOS charges, avoided transmission payments made to embedded generators, and adjustments to balance TasNetworks' transmission overs and under account.

Typical customer analysis

TasNetworks assesses the impact to customer of the network prices on the overall network charge to a "typical customer".

This analysis identifies the typical consumption by calculating the mean of the middle 50 per cent of customers' historical consumption on each of our network tariffs.

The typical customer analysis provided in this supplementary document is based on our default network tariffs for residential and small business tariff classes. They assume the following splits for our time of use windows:

- Residential – peak (30 per cent), off-peak (70 per cent).
- Small business – peak (28 per cent), shoulder (25 per cent), and off-peak (47 per cent).

Typical residential customer network charges

The estimated 2025-26 annual network charges incurred by a typical residential customer supplied under the default time of use consumption network tariff (TAS93), consuming approximately 7,834 kWh of energy per annum with a 30/70 peak-to-off-peak split, is approximately $948 in nominal terms (9.1 per cent higher than 2024-25), (Figure 5).

[5] Referred to as **Designated Pricing Proposal charges ("DPPC") in the SCS pricing model**

Figure 5. Indicative annual network charges for a typical residential customer on the default residential time of use consumption network tariff (TAS93).

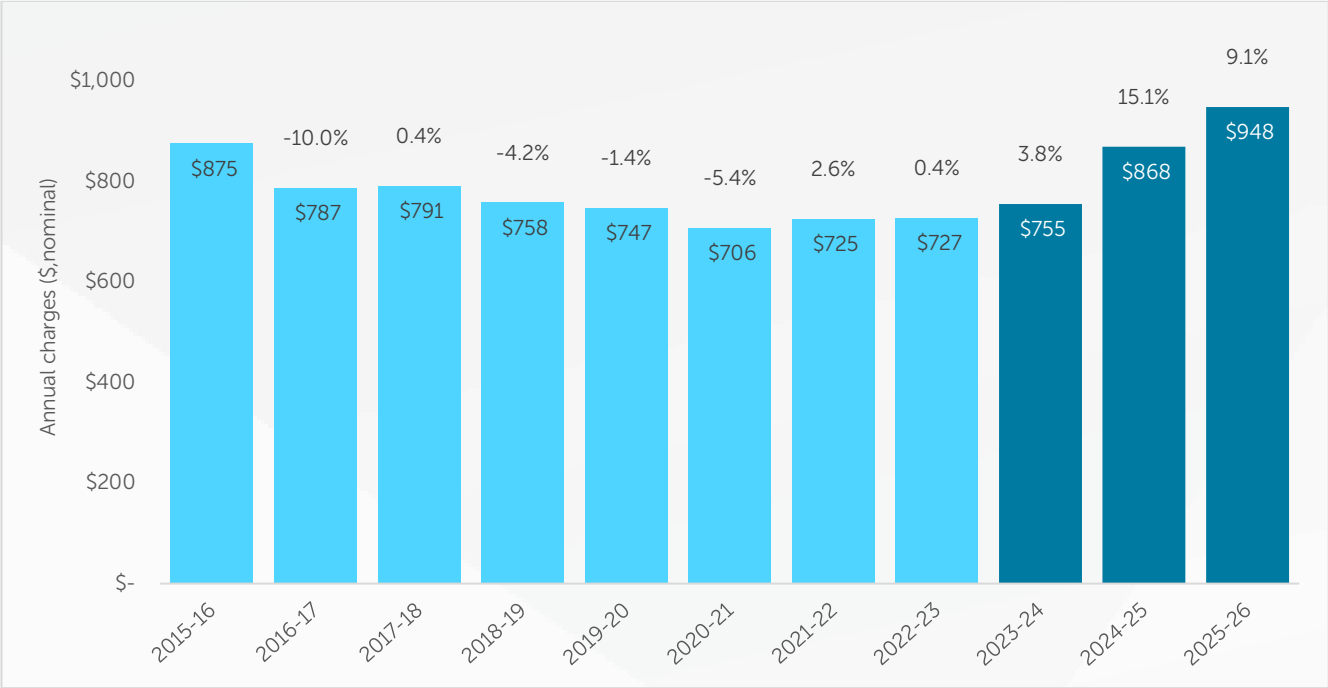


Figure 6 provides a summary of our consumption-based residential network tariffs. The full network tariff schedule for 2025-26 is found in the Standard Control Services pricing model 2025-26.

Figure 6. Residential network charges

		2025-26
Residential time of use consumption (TAS93)		
Service charge	cents/day	75.985
Peak energy charge (weekdays 7am-10am, 4pm-9pm)	cents/kWh	18.705
Off-peak energy charge (all other times, including all weekend)	cents/kWh	4.022
Residential time of use consumer energy resources (TAS97)		
Service charge	cents/day	75.985
Peak energy charge (weekdays 7am-10am, 4pm-10pm)	cents/kWh	19.640
Super off-peak energy charge (midnight to 4am)	cents/kWh	0.098
Off-peak energy charge (all other times)	cents/kWh	2.946
Excess demand	cents/kW	27.9769

		2025-26
Residential general light and power (TAS31) – obsolete		
Service charge	cents/day	69.504
Consumption charge	cents/kWh	9.568
Uncontrolled heating and hot water (TAS41) – obsolete		
Service charge	cents/day	8.588
Consumption charge	cents/kWh	8.362

Typical small business customers network charges

The 2025-26 network charges incurred by a small business customer assigned to the default time of use consumption network tariff (TAS94), consuming approximately 33,578 kWh of energy per annum with a 28/25/47 peak-shoulder-off-peak split, is estimated to be $3,392, an increase of 9.1 per cent in 2025-26. Network charges remain approximately 7.3 per cent lower than during the highs of 2015-16 (Figure 7).

Figure 7. Indicative annual network charge for a typical small business customer on the default small business time of use consumption network tariff (TAS94).

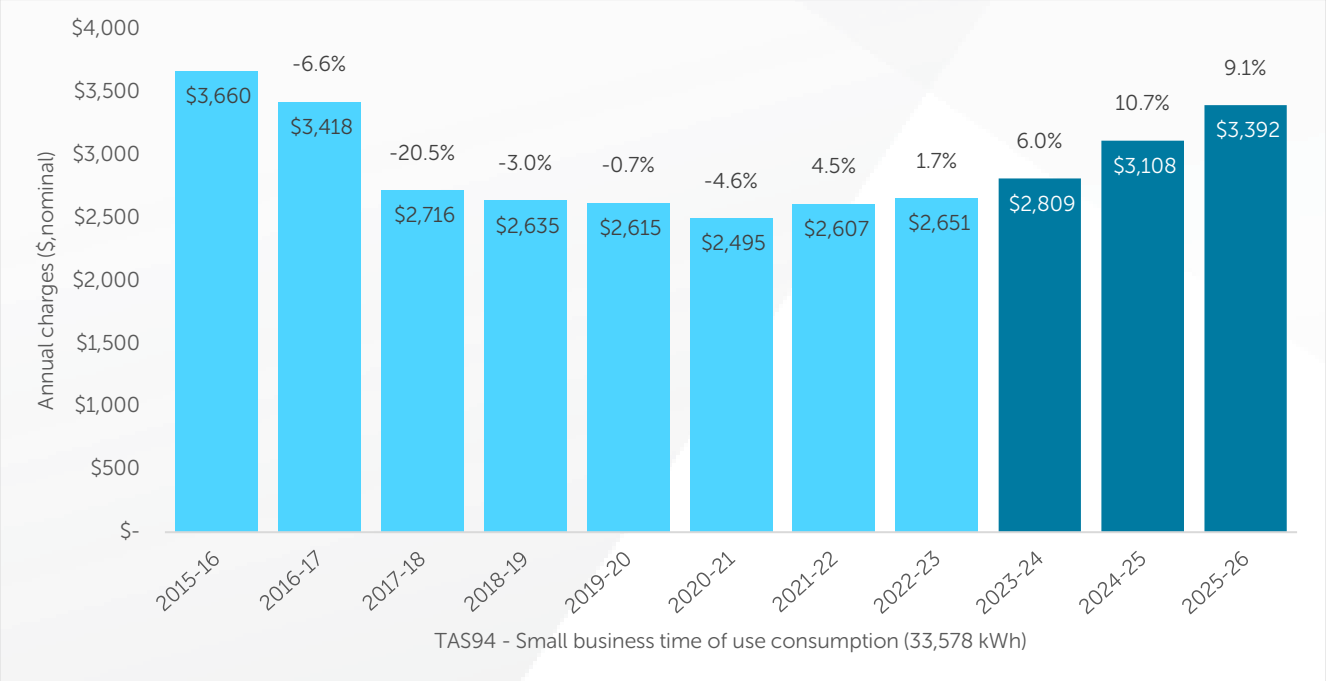


Figure 8 provides a summary of the commonly used small business network tariffs. The full network tariff schedule for 2025-26 can be found in the Standard Control Services pricing model 2025-26.

Figure 8. Small business network charges

		2025-26
Small business time of use consumption (TAS94)		
Service charge	cents/day	90.901
Peak energy charge (weekdays 7am-10am, 4pm-9pm)	cents/kWh	18.327
Shoulder energy charge (weekdays 10am-4pm)	cents/kWh	10.795
Off-peak energy charge (all other times, including all weekend)	cents/kWh	2.649
Small business general light and power (TAS22) – obsolete		
Service charge	cents/day	69.108
Consumption charge	cents/kWh	11.085

Network tariff trials

Consistent with our TSS, TasNetworks has proposed two network tariff trials to commence 1 July 2025:

- Farmshare network tariff trial
- Low voltage small storage network tariff trial.

Farmshare network tariff trial

A number of primary producers and their advocates have called for producers with on-farm generation to be able to use the shared electricity network to deliver the energy they produce to other connections on the same property, rather than having to export any excess energy they produce to be used by other customers, while at the same time buying back energy from an electricity retailer.

For one year commencing 1 July 2025, TasNetworks, in partnership with Aurora Energy, will trial new billing arrangements designed to enable primary producers with their own generation to offset the electricity they produce against their consumption of energy at other connections on the same property, not just at the point of generation. This trial is aimed at primary producers with:

- on-farm electricity generation;
- multiple connections with the electricity network on the same property;
- advanced ('smart') meters at each connection point; and
- each connection point served by the same electricity retailer, and for at least 12 months prior to the commencement of the trial.

The ability for primary producers to aggregate metering data from multiple connections on the same property for the purposes of calculating network charges (and potentially retail charges) could offer primary producers several benefits, including:

- electricity generated at one location on a primary production property can notionally be used at other connection points on the same property;
- the aggregated generation and consumption of electricity at multiple connections on the one property can be considered when calculating network charges; and
- primary producers with their own electricity generation and multiple connections to the network will have greater control over their electricity costs and derive greater value from their investment in on-farm generation.

This trial aims to see if participants can manage their electricity use in a way that aligns their consumption of electricity with their generation of electricity.

TasNetworks has designed a two-way seasonal network tariff to send price signals to the trial participants to incentivise them to provide network support by aligning their consumption with coincident exports of energy from other connections on their property.

More information on the trial can be found on our website FarmShare Tariff Trial | Talk With TasNetworks.

The proposed charging structure for Farmshare network tariff:

Charging parameters	Explanation	Unit	Time of use period
Service charge	A capacity-based charge based on anytime maximum demand across each participant's nominated connections over a rolling 12-month period, including the month being billed	c/kW/day	
Summer			
Peak energy charge	A charge applied to each unit of energy consumed during peak periods that was not generated on-farm.	cents/kWh	5am – 10am and 4pm – 10pm
Shoulder energy charge	A charge applied to each unit of energy consumed during shoulder periods that was not generated on-farm.	cents/kWh	Midnight – 5am and 10pm - midnight
Midday solar soak energy charge	A discounted charge applied to the consumption of energy during the 'solar soak' period.	cents/kWh	10am – 4pm
Peak export charge	A charge applied to energy exported during times of minimum demand, over and above a 'Basic Export Level'.	cents/kWh	10am – 4pm
Peak export reward	A reward/payment for energy exported during times of peak demand.	cents/kWh	5am – 10am and 4pm – 10pm
Shoulder export charge	A charge applied to each unit of energy exported during specified times.	cents/kWh	Midnight – 5am and 10pm - midnight
Winter			
Shoulder energy charge	A charge applied to each unit of energy consumed during shoulder periods that was not generated on-farm.	cents/kWh	5am – 10am and 4pm – 10pm
Off-peak energy charge	A charge applied to each unit of energy consumed during periods defined as off-peak which was not generated on-farm.	cents/kWh	Midnight – 5am and 10pm - midnight
Midday solar soak energy charge	A discounted charge applied to the consumption of energy during the 'solar soak' period.	cents/kWh	10am – 4pm

Charging parameters	Explanation	Unit	Time of use period
Peak export charge	A charge applied to energy exported during times of minimum demand, over and above a 'Basic Export Level'.	cents/kWh	10am – 4pm
Peak export reward	A reward/payment for energy exported during times of peak demand.	cents/kWh	5am – 10am and 4pm – 10pm
Off-peak export charge	A charge applied to each unit of energy exported during periods defined as off-peak.	cents/kWh	Midnight – 5am and 10pm - midnight

Low voltage small storage network tariff trial

TasNetworks has received funding for six community batteries from the Australian Renewable Energy Agency (**ARENA**) as part of the Community Battery Round 1 under ARENA's Advancing Renewables Program and an additional two community batteries from the Department of Climate Change, Energy, the Environment and Water (**DCCEEW**) as part of the Community Batteries for Household Solar Delivery of Election Commitments Stream 1 grant opportunity.

TasNetworks has identified optimal locations for community battery installations through a comprehensive analysis, assessing infrastructure suitability, distribution network demand, land use, zoning requirements, and levels of solar power generation. Community engagement sessions have been held with each proposed location to gather local feedback.

The sites currently progressing through council consultation and building approval processes include:

- Burnie (confirmed)
- Clarence (confirmed)
- Hobart (proposed)
- Launceston (proposed)
- Brighton (proposed)
- Kingborough (proposed)
- West Tamar (proposed)
- Glamorgan Spring Bay (proposed).

The objective of this trial is to enable the connection of storage technologies, test the structures of a network tariff that operate in a manner that reduces network demand and network constraints, and understand the impact that network tariffs have on the operation of the technologies in the wholesale energy market.

TasNetworks has designed a two-way network tariff to send price signals to the trial participants to incentivise them to provide network support. This trial is anticipated to commence on 1 July 2025 and run for four regulatory years, until the end of the regulatory control period.

More information on the trial can be found on our website Community batteries | Talk With TasNetworks.

The proposed charging structure for the low voltage small storage network tariff

Charging parameters	Explanation	Unit	Time of use period
Service charge	A set daily charge which applies to all customers connected to a network tariff.	cents/day	
Peak energy charge	A charge applied to each unit of energy consumed during specified times.	cents/kWh	7am – 10am and 5pm – 9pm
Shoulder energy charge	A charge applied to each unit of energy consumed during specified times	cents/kWh	3pm – 5pm
Off-peak energy charge	A charge applied to each unit of energy consumed during specified times.	cents/kWh	9am -7am and 3pm-5pm
Midday solar soak energy charge	A discounted charge applied to the consumption of energy during the 'solar soak' period.	cents/kWh	10am-3pm
Peak export reward	A reward/payment for energy exported during times of peak demand.	cents/kWh	7am-10am and 5pm-9pm
Peak export charge	A charge applied to energy exported during times of minimum demand, over and above a 'Basic Export Level'.	cents/kWh	10am – 3pm
Off-peak export charge	A charge applied to each unit of energy consumed during specified times	cents/kWh	All export other times not specified above

Alternative control services

Introduction

Alternative control services[6] (**ACS**) refer to services where the costs – and the associated benefits from the service – can be directly attributed to a particular customer (for example, where a customer requests a service). Instead of setting a revenue cap, the AER caps the prices that can be charged for these services each year, or it sets the input costs that can be used to quote jobs. The price caps that apply to our ACS are calculated in accordance with the formulas provided by the AER in its Distribution Determination[7]. TasNetworks' ACS can be broadly categorised into:

- Metering services – services include services provided to customers using Types 6 and 7 metering installations.
- Public lighting services – services relating to the provision, installation and maintenance of public lighting assets owned by TasNetworks and by customers, and emerging public lighting technology.
- Network ancillary services – customer and third party-initiated services for the benefit of a single customer rather than uniformly supplied to all customers.

The ACS we provide is set out in our 2024-2029 Application and Price Guides[8]. The prices for ACS have been developed in consideration of the following outcomes of our 2024-2029 regulatory proposal:

- rationalisation of our labour rates when providing a quoted service; and
- removing the accumulated depreciation rebate on asset relocation services.

Each year, as part of the Annual Pricing Proposal, the prices for ACS are escalated by inflation based on the December quarter index. Additionally, an AER-approved labour escalator (X-factor) is applied to the prices for Ancillary Quoted Services and Ancillary Fee-Based Services.

The updated ACS prices are available in the 2025-26 Annual ACS Pricing Model.

Metering services

TasNetworks continues to support legacy Type 6 (accumulation) meters installed prior to December 2017. These meters are typically used by residential and small business customers. As mentioned above, retailers have assumed the responsibility for reading and maintaining advanced meters, and due to the accelerated rollout of these meters in Tasmania, there is a likelihood that TasNetworks' existing Type 6 meter fleet will be fully retired by the end of the 2024-2029 regulatory control period.

Public lighting

Public lighting services provided by TasNetworks include:

---

[6] TasNetworks will update and publish its Alternative Control Services Application and Price Guides for the 2024-2029 regulatory control period after the Final Decision is received by the AER on 30 April 2024

[7] TasNetworks 2024-2029 Alternative Control Services (AER Final Decision)

[8] https://www.tasnetworks.com.au/Poles-and-wires/Pricing/Regulated-Distribution-Pricing/Distribution-Prices

- the provision, maintenance and replacement of public lighting assets owned by TasNetworks (public lighting); and
- the maintenance of public lighting assets owned by customers (contract lighting).

These services include the provision, construction, and maintenance of new/emerging lighting technology services.

It is important to note that the total charge for the provision of public lighting services comprise a charge for the provision of a SCS and an ACS. The conveyance of electricity to public lights requires the use of the distribution network, those costs are recovered through network tariffs, while the provision, construction and maintenance of public lighting asset are classified as ACS.

Ancillary services – Fee-based services

Fee-based services are services that customers request from TasNetworks where the costs, and the associated benefits from the service, can be directly attributed to that particular customer.

The prices for fee-based services are set in accordance with specified service assumptions due to the standardised nature of the services. Fee-based services are determined via a cost build up approach at the individual service level and relate to activities undertaken by us at the request of customers or their agents.

Unlike our network charges relating to the shared network, which we bill customers' retailers for on the customers' behalf, we bill customers directly for any fee-based services on a user pays basis. The way we charge customers for fee-based services is still regulated by the AER, but with a price cap rather than a revenue cap. These services include (but are not limited to):

- de-energising or re-energising a connection when a customer changes premises;
- abolishing a power supply – removal of meters and service connection;
- basic connection establishment charges and basic connection alterations;
- temporary disconnection/reconnection charges; and
- testing the accuracy of a meter.

Ancillary services – Quoted services

TasNetworks is unable to provide a full range of indicative prices for quoted services, as by their nature these services are dependent on a customer's specific requirements and cost inputs may vary significantly. It is not possible, therefore, to set a generic total fixed fee in advance for these services. The prices for quoted services are determined using the AER's approved labour rates which are available in the annual ACS pricing model.

Requests for quoted services may be received from a customer or retailer on behalf of a customer. We bill customers directly for any quoted services on a user pays basis.

Further information

Customers and retailers who have questions about our services or prices are encouraged to contact TasNetworks at:

Head of Regulation
Tasmanian Networks Pty Ltd
PO Box 606
Moonah
TAS 7009

Phone: 1300 127 777

Email: regulation@tasnetworks.com.au

www.tasnetworks.com.au