

ATTACHMENT B:

Service group/Activities included	Further description (if any)	Current Classification 2014–19	Proposed classification 2019–24	Endeavour Energy comments
<b>Common distribution services</b>				
Common distribution services (formerly 'network services')	<p>The suite of services <del>and activities</del> involved in the use of the distribution network for the conveyance of electricity (including the service that ensures the integrity of the related distribution system) and includes but is not limited to the following activities:</p> <ul style="list-style-type: none"> <li>• <del>the planning, designing, repairing, maintaining, constructing and operating the distribution network;</del></li> <li>• <del>the relocation of assets forming part of the distribution network but not relocations requested by a third party (including a customer); and</del></li> <li>• <del>network demand management for distributor purposes.</del></li> </ul> <p><del>but does not include a service that has been separately classified including any activity relating to that service in operating and distributing electricity to customers safely and reliably in accordance with the National Electricity Law, National Electricity Rules and NSW jurisdictional requirements as a participant in the NEM and holder of a NSW distribution operator's licence. For example, this includes planning, designing, constructing, augmenting, maintaining, repairing, managing and operating the network and network demand for distributor purposes.</del></p> <p><del>Common distribution services involves, but is not limited to, the following activities:</del></p> <p><del>regulatory and pricing planning</del></p> <p><del>demand management planning</del></p> <p><del>management of environmental issues</del></p> <p><del>asset relocations (not at customer's request)</del></p> <p><del>vegetation management</del></p> <p><del>works to fix damage to the network (including emergency recoverable works) or supporting another distributor during an emergency event.</del></p> <p><del>dial before you dig services</del></p> <p><del>external stakeholder management</del></p> <p><del>call centres, enquiries and billing</del></p> <p><del>performance monitoring.</del></p>	Standard control	Standard control	<p>Overall we are supportive of this consolidation and comfortable with either potential service name; "shared distribution services" or "common distribution services".</p> <p>We have adopted the definition suggested by Ausgrid.</p>
<b>Ancillary services</b>				
Design related services	<p>Activities includes:</p> <p><del>processing preliminary enquiries requiring site specific or written responses</del></p> <ul style="list-style-type: none"> <li>• <del>provision of design information, design rechecking services in relation to connection and relocation works provided contestably.</del></li> <li>• <del>work of an administration nature relating to work performed by Level 1 and Level 3 ASPs, including processing work</del></li> </ul> <p><del>specialist services where the design is non-standard, technically complex or environmentally sensitive and any enquiries related to distributor assets</del></p> <ul style="list-style-type: none"> <li>• <del>assessing connection applications or a request to undertake relocation of network assets as contestable works and preparing offers.</del></li> </ul>	Alternative control	Alternative control (specific monopoly service)	<p>Some of the activities grouped under this fee are not aligned to the "design related services". To address this, we have created a "Connection application related services" grouping and moved some of these activities to it.</p> <p>We have also moved the 'specialist services' activity to 'Access permits, oversight and miscellaneous services'.</p>

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Connection application related services	<p>Activities includes:</p> <ul style="list-style-type: none"> <li>assessing connection applications or a request to undertake relocation of network assets as contestable works and preparing offers.</li> <li>processing preliminary enquiries requiring site specific or written responses</li> <li>undertaking planning studies and associated technical analysis to help determine suitable/feasible connection options for further consideration by proponents</li> <li>site inspection in order to determine the nature of the connection service sought by the connection applicant.</li> <li>registered participant support services</li> </ul>	Alternative control	Alternative control (specific monopoly service)	<p>Proposed new service grouping.</p> <p>Some of these activities were included in 'design related services' in the AER's preliminary F&amp;A. We have split them out into a new, standalone service grouping. This will lead to greater alignment between the 'service group' and 'further description' columns.</p> <p>We have also deleted the services groups 'site inspection' and 'registered participant support services' and made them activities under this proposed new service grouping.</p>
Contestable network commissioning and decommissioning	The commissioning and decommissioning of network equipment associated with ASP Level 1 contestable works. Includes equipment checks, tests and activities associated with setting or resetting network protection systems and the updating of engineering systems.	Alternative control	Alternative control (specific monopoly service)	
Access permits, <del>and</del> oversight and miscellaneous services	<p>Activities include:</p> <ul style="list-style-type: none"> <li>A distributor issuing access permits or clearances to work to a person authorised to work on or near distribution systems including high and low voltage.</li> <li>A distributor issuing confined space entry permits and associated safe entry equipment to a person authorised to enter a confined space.</li> <li>A distributor providing access to switch rooms, substations and the like to a non-LNSP party who is accompanied and supervised by a distributor's staff member. May also include a distributor providing safe entry equipment (fall-arrest) to enter difficult access areas.</li> <li><u>specialist services where the design is non-standard, technically complex or environmentally sensitive and any enquiries related to distributor assets</u></li> <li><u>facilitation of generator connection and operation on the network</u></li> <li><u>facilitation of activities within clearances of distribution assets, including physical and electrical isolation of assets</u></li> </ul>	Alternative control	Alternative control (specific monopoly service)	Proposed adjustments include renaming this services grouping and moving some services from other groups into this one.
Notices of arrangement	Work of an administrative nature performed by a distributor where a local council requires evidence in writing from the distributor that all necessary arrangements have been made to supply electricity to a development. This may include receiving and checking subdivision plans and 88 B instruments, copying subdivision plans, checking and recording easement details, assessing supply availability, liaising with developers if errors or changes are required and preparing notifications of arrangement.	Alternative control	Alternative control (specific monopoly service)	
Property services	<p>Property tenure services related to obtaining deeds of agreement, deeds of indemnity, leases, easements or other property tenure in relation to property rights associated with connection or relocation.</p> <p>Conveyancing inquiry services relating to the provision of property conveyancing information at the request of a customer.</p>	Alternative control	Alternative control (specific monopoly service)	
Site establishment services	<p><u>Activities includes:</u></p> <ul style="list-style-type: none"> <li><del>S</del>site establishment services, including liaising with the Australian Energy Market Operator (AEMO) or market participants for the purpose of establishing NMIs in market systems, for new premises or for any existing premises for which AEMO requires a new NMI and for validation of and updating network load data. This includes processing and assessing requests for a permanently unmetered supply device.</li> </ul>	Alternative control	Alternative control (specific monopoly service)	<p>This fee is associated with establishing NMI information in market systems. Other proposed new services are related to adjusting this NMI information for various reason.</p> <ul style="list-style-type: none"> <li>Site Alteration Service,</li> <li>NMI Extinction Services</li> </ul>

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	<ul style="list-style-type: none"> <li>• <u>site alteration, updating and maintaining national metering identifier (NMI) and associated data in market systems</u></li> <li>• <u>NMI extinction; processing a request by the customer or their agent for permanent disconnection and the extinction of a NMI in market systems</u></li> <li>• <u>confirming or correcting metering or network billing information in market B2B or network billing systems, due to insufficient or incorrect information received from retailers or metering providers.</u></li> </ul>			<ul style="list-style-type: none"> <li>• Correction of metering and market billing data</li> </ul> <p>This will remove the need for three other proposed stand-alone groups</p>
Networks safety services	Includes provision of traffic control services by the distributor where required, fitting of tiger tails, high load escort, night watch (private security and flood lighting services), de-energising wires for safe approach (e.g. for tree pruning).	N/A	Alternative control (potentially contestable)	
Customer vegetation defect works	Work involved in managing and resolving pre-summer bush fire inspection customer vegetation defects where the customer has failed to do so.	N/A	Alternative control (specific monopoly service)	
Network tariff change request	When a retailer's customer or retailer requests an alteration to an existing network tariff (for example, a change from a Block Tariff to a Time of Use tariff), the distributors conduct tariff and load analysis to determine whether the customer meets the relevant tariff criteria. The distributors also process changes in their IT systems to reflect the tariff change.	Alternative control	Alternative control (specific monopoly service)	
Recovery of debt collection costs - dishonoured transactions	The incurrance of costs, including bank fees by a distributor resulting from the dishonour of a customer or ASP's cheques tendered in payment of network related services.	Alternative control	Alternative control (specific monopoly service)	
Services provided in relation to a Retailer of Last Resort (ROLR) event	The distributors may be required to perform a number of services as a distributor when a ROLR event occurs. For example: Preparing lists of affected sites and reconciling data with AEMO listings, arranging estimate reads for the date of the ROLR event, preparing final invoices and miscellaneous charges for affected customers, extracting customer data, providing it to the ROLR and handling subsequent enquiries.	Alternative control	Alternative control (specific monopoly service)	
Planned Interruption – Customer requested	Where the customer requests to move a planned interruption and agrees to fund the additional cost of performing this distribution service outside of normal business hours.	N/A	Alternative control (specific monopoly service)	
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 (specific monopoly service)	
Inspection services - Private electrical installations and <del>alternative accredited</del> service providers (ASPs)	Inspection of and reinspection by a distributor of: <ul style="list-style-type: none"> <li>• private electrical wiring work undertaken by an electrical contractor</li> <li>• <del>ASP</del>-contestable connection, <u>relocation</u> and <del>relocation-service</del> works <u>including</u></li> <li>• <del>i</del>investigation, review and implementation of remedial actions that may lead to corrective and disciplinary action of an ASP due to unsafe practices or substandard workmanship.</li> </ul>	Alternative control	Alternative control (specific monopoly service)	<p>The word 'alternative' has been replaced with 'accredited' to reflect the correct name for ASPs.</p> <p>Minor editorials made to improve clarity and ease of understanding</p> <p>We also wish to confirm that pricing items for this service could cover the inspection/investigation costs (for NECF purposes) for wrong labelling, cross-wiring issues and restoring network devices that have been inappropriately removed by electrical contractors.</p>
Authorisation of ASPs <del>and associated administrative services</del>	Includes annual authorisation of individual employees and sub-contractors of ASPs and additional authorisations at request of ASP and other administrative services performed by the distributor relating to work performed by an ASP	Alternative control	Alternative control (specific monopoly service)	The administration service activities grouped under this fee are not aligned to ASP authorisation. They are associated with administration by the DNSPs of their work

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Metering services				
Type 1-4 metering services	Type 1 to 4 meters and supporting services are competitively available. <sup>1</sup>	Unclassified	Unclassified	associated with design and construction of contestable works Propose moving the administration service to “design and construction related services grouping
Type 5 and 6 metering provision (before 1 July 2015)	Distributors may recover the capital cost of type 5 and 6 metering equipment installed before 1 July 2015.	Alternative control	Alternative control (specific monopoly service)	
<u>Type 5 and 6 metering provision (1 July 2015 to 30 November 2017)</u>	<u>Distributors may recover the capital cost of replacing type 5 and 6 metering equipment installed between 1 July 2015 to 30 November 2017.</u>	<u>New service grouping</u>	<u>Alternative control (specific monopoly service)</u>	Up until 30 November 2017, Endeavour Energy remains the ‘responsible person’ for Type 5 and 6 meters. In accordance with this role, we are required to replace faulty Type 5 and 6 meters when they fail. For us to recover our costs, the actual capex we spend on making such replacements will need to be rolled forward into our proposed metering RAB as of 1 July 2019. Only metering replacement capex incurred between 1 July 2015 to 30 November 2017 will be included in that roll forward. This new service group will facilitate this cost recovery process.
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	
Meter reading and testing	Meter reading and testing services include: <ul style="list-style-type: none"> <li>• Special meter reading for type 5 and 6 meters and move in and move out metering reading (type 5 and 6 meters)</li> <li>• Type 5 meter final read on removed type 5 metering equipment</li> <li>• Meter test (for type 5 and 6 meter)</li> <li>• Types 5-7 non-standard meter data services</li> <li>• <u>Type 5 and 6 current transformer testing</u></li> <li>• <u>Off-peak conversion</u></li> </ul>	Alternative control	Alternative control (specific monopoly service)	We wish to confirm that a site visit pricing item will be permitted for this service (and others where relevant) where our access to the site to provide the service has been denied or restricted.
Types 5 and 6 meter reading, maintenance and data services	Meter maintenance covers works to inspect, test, maintain <u>and</u> , repair <u>and replace</u> meters. Meter reading refers to quarterly or other regular reading of a meter. Metering data services are those that involve the collection, processing, storage and delivery of metering data and the management of relevant NMI Standing Data in accordance with the Rules.	Alternative control	Alternative control (specific monopoly service)	DNSPs are no longer required to replace meters following the implementation of metering contestability.
Emergency maintenance of failed metering equipment not owned by the network	The distributor is called out by the customer due to a power outage where an external metering provider's metering equipment has failed or an outage has been caused by the metering provider and the distributor has had to restore power to the customer's premises. This may result in an unmetered supply arrangement at this site. <u>This fee will also be levied where a metering provider has requested the distributor to check a potentially faulty network connection and when tested by the distributor, no fault is found.</u>	Alternative control	Alternative control (specific monopoly service)	To provide greater certainty, we have added an additional sentence to clarify that this charge will be levied where Endeavour Energy is called out but no fault is found.

<sup>1</sup> NER, cl. 7.2.3(a)(2) and 7.3.1.A(a)).

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Meter recovery - type 5 and 6 current transformer metering	At the request of the customer or their agent to remove a type 5 or 6 current transformer meter where a permanent disconnection has been requested.	N/A	Alternative control (specific monopoly service)	
Distributor arranged outage for purposes of replacing metering	At the request of a retailer or metering coordinator provide notification to affected customers and facilitate the disconnection/reconnection of customer metering installations where a retailer planned interruption cannot be conducted.	N/A	Alternative control (specific monopoly service)	
<del>Site alteration service</del>	<del>Site alteration services updating and maintaining national metering identifier (NMI) and associated data in market systems</del>	N/A	Alternative control (specific monopoly service)	We have moved this service to ' Site establishment services'
<del>NMI extinction fee</del>	<del>At the request of the customer or their agent processing a request for permanent disconnection and the extinction of a NMI in market systems</del>	N/A	Alternative control (specific monopoly service)	We have moved this service to ' Site establishment services'
<del>Correction of metering and market billing data</del>	<del>Confirming or correcting metering or network billing information in market B2B or network billing systems, due to insufficient or incorrect information received from retailers or metering providers.</del>	N/A	Alternative control (specific monopoly service)	We have moved this service to ' Site establishment services'
<u>Meter disposal</u>				As the competitive meter rollout occurs the existing type 5 or 6 meters may need to be disposed. Our position is that these meters can be disposed of by the party which removes them (i.e. Metering provider working for a Metering Co-ordinator). It would impose disposal costs on the DNSP (and its remaining metering customers) if the meter was unnecessarily returned to the DNSP to dispose and recover the costs of this through the type 5 and 6 metering charges.  We wish to understand the AER's views on this issue. If meters are returned to DNSPs to dispose of should a charge be levied by the DNSP? Would this be an ancillary network service or an unregulated charge?
<b>Connection services</b>				
Premises connection assets	Includes any additions or upgrades to the connection assets located on the customer's premises which are contestable (Note: excludes all metering services).	A. Unclassified	A. Unclassified	
	Premises connection assets can be further described as: A. Design and construction of premises connection assets (where these services are provided contestably) B. Part design and construction of connection assets that are not available contestably (generally as a result of safety, reliability or security reasons). Those parts of project works that are performed and funded by the distributor.	B. Standard control	B. Standard control	
Extensions	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 that is:			We suggest the wording is broadened for A. to simply refer to a customer and not the specific type of contractor a customer may choose to engage.
	A. undertaken by <del>an ASP on behalf of</del> a customer B. undertaken by a customer but partly funded by a NSP (NSP contribution would be classified as a standard control service while the customer funded component of the service would be unclassified.)	A. Unclassified B. Unclassified/standard control based on contribution	A. Unclassified B. Unclassified/standard control based on contribution	

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	C. undertaken by a network service provider	C. Standard control	C. Standard control	
Augmentations	<p>A. Any shared network enlargement/enhancement undertaken by a distributor which is not an extension</p> <p>B. Any shared network enlargement/enhancement undertaken by a customer, but partly funded by a NSP (NSP contribution would be classified as a standard control service while the customer funded component of the service would be unclassified)</p> <p>C. Any shared network enlargement/enhancement undertaken by a customer</p>	<p>A. Standard control</p> <p>B. Unclassified/standard control based on contribution (see previous column)</p> <p>C. Unclassified</p>	<p>A. Standard control</p> <p>B Unclassified/standard control based on contribution (see further description)</p> <p>C. Unclassified</p>	
<del>Registered participant support services</del>	<del>Services and information provided by the distributor and proposed market participants associated with connection arrangements and agreements made under Chapter 5 of the NER.</del>	<del>N/A</del>	<del>Alternative control (specific monopoly service)</del>	We have moved this definition to the "Connection application related services" ancillary network service (ANS). We consider the relevant activities (support services) are more aligned to ANS. Our view is that connection services should be limited to activities that involve making a connection, extending or augmenting the network.
<del>Site inspection</del>	<del>Site inspection services in order to determine the nature of the connection service sought by the connection applicant.</del>	<del>N/A</del>	<del>Alternative control (specific monopoly service)</del>	We have moved this definition to the "Connection application related services" ANS. We consider the relevant activities (site inspection) are more aligned to this ANS. Our view is that connection services should be limited to activities that involve making a connection, extending or augmenting the network.
<del>Facilitation of generator connection and operation on the network</del>	<del>Includes connection/disconnection of generator to distributor's assets and any ongoing requirements to facilitate its operation.</del>	<del>N/A</del>	<del>Alternative control (potentially contestable)</del>	<p>This service is related to the DNSP connecting a mobile generator on the network for the purposes of providing temporary supply.</p> <p>Suggest that this service is more aligned to the "access permits, oversight and specialist services" grouping proposed above.</p>
Reconnections/Disconnections	<p>Disconnection and/or reconnection services (some provided in accordance with the National Energy Retail Rules). For example:</p> <ul style="list-style-type: none"> <li>• Disconnection visit (site visit only)</li> <li>• <del>Disconnection visit (disconnection completed - technical)</del></li> <li>• <u>Disconnection visit (disconnection completed)</u></li> <li>• Pillar box/pole top disconnection - completed</li> <li>• Reconnection/disconnection outside of business hours</li> <li>• <del>Vacant property - site visit</del></li> <li>• Shared service fuse replacement</li> <li>• Rectification of illegal connections</li> <li>• Temporary connections</li> <li>• Remove or reposition connection</li> <li>• Single phase to three phase</li> </ul>	Alternative control	Alternative control (specific monopoly service)	<p>Suggest that this service is moved into ancillary service. Refer to metering services for selection of an appropriate group.</p> <p>We wish to confirm that the examples listed are not exhaustive and additional pricing items could be included at the time of the determination. For instance, a security escort is occasionally required for this service and in such instances we would seek to recover this cost from the customer.</p> <p>Also, we wish to confirm that a DNSP is obliged to provide the service (in this case 'reconnection/disconnection') but not necessarily every pricing item listed by way of example in the service description. This is because some DNSPs may not have available resources to provide all pricing items associated with a particular service.</p>

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<b>Public lighting</b>				
Public lighting	Provision, construction and maintenance of public lighting and emerging public lighting technology	Alternative control	Alternative control	
<b>Unregulated distribution services</b>				
Distribution asset rental	Rental of distribution assets to third parties (e.g. office space rental, pole and duct rental etc.).	N/A	Unclassified	
Contestable metering support roles	Includes metering coordinator ( <u>except where the DNSP is the initial metering coordinator</u> ), metering data provider and metering provider for meters installed or replaced after 1 December 2017.	N/A	Unclassified	To clarify that the initial metering coordinating role is not a contestable metering service.
<u>Neutral Integrity Testing</u>	<u>Where customers request Endeavour Energy investigate the occurrence of mild electric shocks within a customer's premises to determine whether the fault exists within the customer's installation or on the network. A fee would be levied where the fault is within the customer's installation.</u>	<u>N/A</u>	<u>Unclassified or Alternative control</u>	In discussions with the AER Endeavour Energy raised Neutral Integrity Testing as a potential service.  This service can be performed by electrical contractors. It could therefore be considered an unregulated distribution service however it may not be practical to offer this service if it is subject to ring-fencing.  If the AER considers this service should be subject to price regulation it may be well suited to 'networks safety services' ancillary network service.
<u>Non-standard connection services</u>	<u>Miscellaneous customer requested services that typically occur at the time of connection. For instance, the following customer requested services:</u> <ul style="list-style-type: none"> <li>• <u>asset relocations</u></li> <li>• <u>conversion to aerial bundled cable (i.e. reducing the number of overhead lines by combining them).</u></li> <li>• <u>Reserve or duplicate supplies (beyond what a DNSP is required to provide)</u></li> <li>• <u>termination of cable at zone substations and first joint out (where the connection is fully dedicated to the specific customer connecting</u></li> </ul>	<u>N/A</u>	<u>Unclassified</u>	We consider these services are related to the connection services listed above and are therefore unregulated connection related services as well. These may be pricing items covered by the existing connection services however for clarity we have listed them separately.