



**Ancillary Services – Quoted Services  
Application and Price Guide**

**2018-19**

As submitted to the Australian Energy Regulator



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## 1 Introduction

This 2018–19 Ancillary Services – Quoted Services Application and Price Guide outlines TasNetworks' terms and labour prices for the provision of alternative control services – quoted services and applies from 1 July 2018 to 30 June 2019.

Quoted services are those services provided by TasNetworks where the nature and scope of the service is specific to an individual customer's needs, and varies from customer to customer. The cost of providing these services cannot be estimated without first knowing the customer's specific requirements. It is, therefore, not possible to set generic fixed fees in advance for these services.

Requests for quoted services may be made to TasNetworks directly by customers, by an electricity retailer or by a third party on behalf of a customer.

TasNetworks provides a range of new design and construction fees and non-standard services on a quoted basis including, but not limited to:

### **New design and construction fees:**

- *Standard application fee:* which covers the administrative costs of assessing an application; and
- *Application fee – customer choice:* which covers the connection assessment costs and preparation of specifications for a customer choice project.

### **Maximum service**

- *Design cost – design audit fee (small):* which covers the costs of the audit of a design incorporating low or high voltage elements including a site visit;
- *Design cost – design audit fee (large):* which covers the costs of the audit of a design incorporating high voltage and low voltage elements including a site visit;
- *Design cost – design audit fee (major):* which covers the costs of the audit of a design incorporating high voltage, low voltage and substation elements including a site visit;
- *Construction cost – construction audit fee (small):* which covers the costs of the audit of low voltage or high voltage construction with five to seven project audit gates;
- *Construction cost – construction audit fee (large):* which covers the costs of the audit of high voltage and low voltage construction with five to seven project audit gates; and
- *Construction cost – construction audit fee (major):* which covers the costs of the audit of high voltage, low voltage and substation construction with five to seven project audit gates.

### **Minimum service**

- *Design cost – design audit fee (small):* which covers the costs of the audit of a design incorporating low voltage or high voltage elements;
- *Design cost – design audit fee (large):* which covers the costs of the audit of a design incorporating high voltage and low voltage elements;
- *Design cost – design audit fee (major):* which covers the costs of the audit of a design incorporating high voltage, low voltage and substation elements;
- *Construction cost – construction audit fee (small):* which covers the costs of the audit of low voltage or high voltage construction with one to three project audit gates;
- *Construction cost – construction audit fee (large):* which covers the costs of the audit of high voltage and low voltage construction with one to three project audit gates; and

- *Construction cost – construction audit fee (major)*: which covers the costs of the audit of high voltage, low voltage and substation construction with one to three project audit gates.

#### **Non-standard services**

- Removal or relocation of TasNetworks' assets at the request of a customer (for example, the Tasmanian Government);
- Services that are provided at a higher standard than the standard service, due to a customer's request for TasNetworks to do so;
- Provision of public lighting schemes;
- Provision of overhead and underground subdivision for developers;
- Design work for a new connection;
- Relocation of assets at the request of a third party; and
- Services that are provided through a non-standard process at a customer's request (for example, more frequent meter reading).

Further information on TasNetworks' public lighting tariffs and fee based services can be found at TasNetworks' website:

<http://www.tasnetworks.com.au/our-network/network-revenue-pricing/distribution-fees-and-tariffs>

## 2 Application of quoted services prices

### TasNetworks

All references to TasNetworks within this Ancillary Services – Quoted Services Application and Price Guide, unless otherwise stated, refer to TasNetworks in its capacity as a licensed distribution network service provider in the Tasmanian region of the National Electricity Market (**NEM**) only.

### Goods and service tax (GST)

The labour rates applying to the provision of quoted services and published in this guide are, unless otherwise stated, exclusive of GST.

### Quoted services charges

The quoted services labour rates in this Ancillary Services – Quoted Services Application and Price Guide are calculated in accordance with the Australian Energy Regulator's (**AER**) Distribution Determination applying to TasNetworks.<sup>1</sup> All other charges will be passed through on a cost recovery basis.

All financial components of a quoted service are to be paid as a single upfront amount prior to TasNetworks commencing any works. Alternative payment arrangements may be considered on a case by case basis, in which case a prudential requirement (e.g. Bank Guarantee) may be required.

### Cost recovery

TasNetworks' charge for a quoted service reflects the costs of providing that quoted service.

### Request process

A customer who wishes to receive a quoted service from TasNetworks must submit a written request to TasNetworks, or have their electricity retailer or agent acting on their behalf do so.

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<sup>1</sup> See <https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/tasnetworks-formerly-aurora-energy-2017-2019/final-decision>.

### 3 Labour prices

Prices for quoted services will be calculated by TasNetworks on an individual basis and in a manner which is consistent with the methodology in the AER's Distribution Determination applying to TasNetworks.<sup>2</sup> The AER's prescribed methodology for calculating a quoted services charge is as follows:

$$\text{Price} = \text{Labour} + \text{Contractor Services} + \text{Materials}$$

Where:

*Labour* consists of all labour costs directly incurred in the provision of the service which may include labour on-costs, fleet on-costs and overheads. Table 1 includes the hourly rate for the particular labour type;

*Contractor services* reflect all costs associated with the use of the external labour including overheads and any direct costs incurred. The contracted services charge applies the rates under prevailing contractual arrangements. Direct costs incurred are passed on to the customer; and

*Materials* reflect the cost of materials directly incurred in the provision of the service, material storage and logistics on-costs and overheads.

TasNetworks is unable to provide a full range of prices for quoted services for the year because the cost of providing these services will be dependent on a customer's specific requirements and circumstances, and may vary significantly between even outwardly similar jobs.

The hourly charges for the provision of labour associated with quoted services for the period 1 July 2018 to 30 June 2019 are presented in Table 1.

**Table 1: Labour rates**

Labour type	Hourly rate (\$)
Cable jointer	61.72
Customer connections – commercial metering	64.30
Customer connections – service crew	63.32
Designer	71.39
Distribution electrical technician	63.44
Distribution linesman	57.43
Distribution linesman – live line	64.59
Distribution operator	70.98
Electrical inspector	59.43
Field service coordinator	73.76
Labourer – overhead	49.34
Meter reader	49.15
Pole tester	51.18
Project manager	87.70

All other prices will be as per the quote provided and will be levied on a cost recovery basis.

<sup>2</sup> See <https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/tasnetworks-formerly-aurora-energy-2017-2019/final-decision>.

## 4 Procedure for reviewing complaints and disputes

TasNetworks will ensure that all complaints and disputes are dealt with in accordance with its standard complaints and dispute resolution policy and procedures. TasNetworks' dispute resolution policy is reviewed annually and published on TasNetworks' website.

### Internal procedure for reviewing objections

In the event that TasNetworks receives a written objection from or on behalf of a customer to a proposed quoted service charge, TasNetworks will undertake the following internal review process:

- the customer's written objection will be reviewed by TasNetworks;
- any additional information provided by the customer (and/or the customer's retailer or agent) will be considered;
- TasNetworks will determine the quoted services charge that should apply;
- the proposed quoted services charge will be reviewed and approved by the Commercial Solutions Team Leader; and
- the customer (and/or customer's retailer or agent) will be notified in writing of the final quoted services charge review outcomes within 15 business days of receipt of the customer's written objection.

TasNetworks may consult with the customer's retailer or agent during the process of undertaking a review.

### Objections not resolved by internal review process

If a customer's objection to a quoted service charge is not resolved to the customer's satisfaction after applying TasNetworks' internal review process, as detailed above, the customer is entitled to seek independent resolution of their objection through the following avenues:

- if the resolution of the dispute is within the jurisdiction of the Energy Ombudsman, the customer is entitled to escalate the matter to the Energy Ombudsman; or
- the customer is entitled to seek a decision of the AER via the dispute resolution process available under Part L of Chapter 6 of the National Electricity Rules.





## 5 Glossary

AER	Australian Energy Regulator.
Customer	A person to whom TasNetworks provides regulated services.
Distribution Determination	AER, Final Decision, TasNetworks distribution determination, 2017-18 to 2018-19, April 2017 (see <a href="https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/tasnetworks-formerly-aurora-energy-2017-2019/final-decision">https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/tasnetworks-formerly-aurora-energy-2017-2019/final-decision</a> ).
Energy Ombudsman	As defined in the <i>Energy Ombudsman Act 1998</i> (Tas).
NEM	National Electricity Market
TasNetworks	Unless otherwise stated means Tasmanian Networks Pty Ltd ABN 24 167 357 299 in its capacity as a distribution network service provider licensed in the state of Tasmania.

