Annual Distribution Pricing Proposal

2019–20

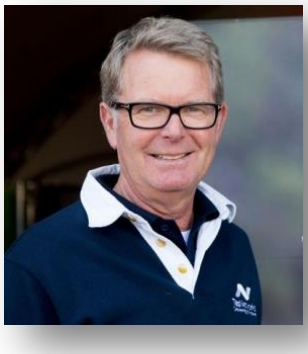
As submitted to the Australian Energy Regulator

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.

Tasmanian Networks Pty Ltd
ABN 24 167 357 299
PO Box 606
Moonah TAS 7009

Enquiries regarding this document should be addressed to:
Leader Commercial Solutions
PO Box 606
Moonah TAS 7009
Email: network.tariff@tasnetworks.com.au



Creating value for our customers, our owners and our community

TasNetworks provides transmission and distribution network services, delivering Australia's cleanest electricity to Tasmanian homes and businesses. TasNetworks is a State Owned Corporation with total assets of over $3 billion and our purpose is to create value for our customers, our owners and our community. Our vision is to be trusted by our customers to deliver today and create a better tomorrow.

We are working hard to keep our costs and our prices as low as we sustainably can, while delivering safe and reliable services.

Presently, network costs make up just over 40 per cent of the typical Tasmanian residential electricity bill and we are committed to working to reduce this through the way we charge for the delivery of electricity and access to the distribution network.

Many of our charges take the form of network 'tariffs', which we charge to electricity retailers. Our Tariff Structure Statement outlined key changes we are making to network tariffs and explains why these changes will result in better outcomes for our customers. This document demonstrates how we are implementing these changes.

At the heart of our tariff changes is the need to send our customers price signals that better match the demands they place on the network with what it costs us to provide the network. The consumption based network tariffs we have traditionally used to recover the cost of providing and running the electricity network are no longer fit for purpose. In addition to this, recent changes to the National Electricity Rules also require us to apply a more cost reflective approach to determining our tariffs.

We are continuing our move towards fairer, more cost reflective network prices. For most customers the transition will involve only small changes. Over a number of years, the changes made to existing network tariffs, plus the introduction of some new demand based network tariffs for residential and small business customers, will see customers pay charges that better reflect their contribution to network costs.

We will not recover any additional revenue as a result of changes to our network tariffs. In fact, in the long term, our revenues may fall as we support a more efficient network.

This is good news for all customers.

Lance Balcolme

Chief Executive Officer

Table of Contents

1 Preface

TasNetworks is the Transmission Network Service Provider (**TNSP**) and Distribution Network Service Provider (**DNSP**) for the Tasmanian region of the National Electricity Market (**NEM**), which includes mainland Tasmania, but not the Bass Strait Islands.

The prices that TasNetworks charges for the use of its distribution network (electricity poles and wires) and the provision of associated services to customers are approved by the Australian Energy Regulator (**AER**). Section 6.18.2(a)(1) of the National Electricity Rules (**Rules**) requires that TasNetworks submits an Annual Distribution Pricing Proposal to the AER for the first regulatory year of the regulatory control period as soon as practicable, and in any case within 15 business days, after publication of the distribution determination.

The current five year regulatory control period will begin on 1 July 2019 and ends on 30 June 2024. This Annual Distribution Pricing Proposal is for the regulatory year commencing on 1 July 2019 and has been prepared to comply with the requirements of the Rules and any additional requirements specified by the AER in its distribution determination for TasNetworks.[1]

TasNetworks also operates the transmission network in Tasmania which connects power stations and large generators, such as hydro-electric power stations and wind farms, with the distribution network and major industrial users of electricity. All references to TasNetworks within this Annual Distribution Pricing Proposal are in its capacity as a licensed DNSP in the Tasmanian region of the NEM, unless otherwise stated.

[1] https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/tasnetworks-determination-2019-24

2 Introduction

2.1 Scope

This Annual Distribution Pricing Proposal outlines the proposed network tariffs for standard control services and the proposed tariffs (prices) for alternative control services for the 2019-20 regulatory year. The classification of services, tariff classes and tariff structures reflected in this Annual Pricing Proposal are as per the Tariff Structure Statement[2] (**TSS**) approved by the AER in April 2019[3].

The cost of services provided by TasNetworks where the price is negotiated between TasNetworks and its customers (negotiated services) is not addressed in this pricing proposal.

This document is submitted in accordance with, and complies with, the requirements of the:

- National Electricity Law (**NEL**);
- National Electricity Rules; and
- the AER's distribution determination for TasNetworks.

2.2 Structure

TasNetworks' Annual Distribution Pricing Proposal is structured as follows.

Table 1 Structure of this document

Section	Title	Purpose
1	Preface	Explains the requirement to submit Annual Pricing Proposals and the regulatory control period to which this Annual Distribution Pricing Proposal applies.
2	Introduction	Outlines the scope, structure and purpose of this Annual Distribution Pricing Proposal.
3	Tariff classes and tariffs	Provides details of each tariff included under standard control services and alternative control services, including a description of each tariff class and the charging parameters making up each tariff. Also includes an explanation of how customers are assigned to tariff classes based on the Rules and pricing principles.
4	Pricing principles	Outlines the pricing principles and objectives applied by TasNetworks in setting tariffs and provides the modelling inputs and outputs used to develop the tariffs to recover TasNetworks' regulated revenue in any given year.
5	Standard control services – pricing proposal requirements	Describes how the methodology used by TasNetworks complies with the Rules and also the pricing-related obligations placed on TasNetworks by the AER's distribution determination.
6	Transmission charges	Outlines how adjustments to charges for transmission costs and any over and under-recoveries of transmission costs in previous years are calculated and recovered.

[2] TasNetworks, Revised Tariff Structure Statement 2019-2024 Final – April 2019
TasNetworks, Revised Tariff Structure Statement 2019-2024 – Explanatory Statement Final – April 2019

[3] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

Section	Title	Purpose
7	Standard control services – customer price impacts	Shows the difference in charges between 2018-19 and 2019-20 for each network tariff, as well as the percentage change.
8	Standard control services pricing	Details each tariff under standard control services and the charging parameters related to each service.
9	Standard control services – tariff variations	Outlines the proposed variations in tariffs between the 2018-19 and 2019-20 regulatory years.
10	Alternative control services	Explains the tariff classes applying to alternative control services and sets out the prices applying in 2019-20 to metering, public lighting and ancillary services (both fee based services and quoted services).
11	Customer price impacts – alternative control services	Sets out the nature of any variations or adjustments to prices applying to alternative control services that could occur during the course of the regulatory year and the basis on which those changes could occur.
12	Alternative control services – tariff variations	Discusses the impact on customers of the prices proposed for alternative control services in the 2019-20 regulatory year.
13	Confidential information	Details which parts of this Annual Distribution Pricing Proposal are confidential and provides reasons in support of any confidentiality claims.
14	Distribution pricing proposal compliance obligations	Sets out TasNetworks' compliance with the requirements of the Rules as they relate to Annual Distribution Pricing Proposals.
15	Attachments	Lists the attachments to this Annual Distribution Pricing Proposal.
16	Listing of tables	Lists the tables in this Annual Distribution Pricing Proposal.

2.3 Supporting documents

TasNetworks has published a range of documents which are intended to assist external parties understand the development and application of network tariffs and of prices for alternative control services set out in this document. This Annual Distribution Pricing Proposal is supported by the following documents:[4]

- Network Tariff Application and Price Guide 2019-20;
- Metering Services Application and Price Guide 2019-20;
- Public Lighting Application and Price Guide 2019-20;
- Ancillary Service – Fee Based Services Application and Price Guide 2019-20;
- Ancillary Service – Quoted Services Application and Price Guide 2019-20;
- Annual Distribution Pricing Proposal Overview 2019-20, and
- TEC Methodology 2019-20.

These documents should be read in conjunction with this Annual Distribution Pricing Proposal.

[4] The various pricing guides are available on the TasNetworks' website at: https://www.tasnetworks.com.au/poles-and-wires/pricing/Our-prices.

2.4 Further information

Customers and retailers who are uncertain about the network pricing process or the pricing arrangements that may be applicable to their particular circumstances are encouraged to contact TasNetworks at:

Leader Commercial Solutions
PO Box 606
Moonah TAS 7009
E-mail: network.tariff@tasnetworks.com.au

2.5 Overview of compliance obligations

The matters that must be satisfied by the publication of this Annual Distribution Pricing Proposal are set out in clause 6.18 of the Rules. TasNetworks' compliance with these requirements is detailed in section 14 of this document (Distribution pricing proposal compliance obligations).

3 Tariff classes and tariffs

3.1 Overview

TasNetworks has selected network tariff classes based on the requirement to group customers on an economically efficient basis that adequately reflects customer characteristics and has regard to the costs of serving those customers. This approach is outlined in section 4 of our TSS[5].

The Rules set out a range of requirements relating to tariff classes which have been addressed in our TSS, as per the following table.

Table 2 Rule requirements regarding the definition and application of tariff classes

Rule requirement	TasNetworks' response
• Clause 6.18.3(b) – Each customer for direct control services must be a member of one or more tariff classes.	• We assign each customer for standard control services to a tariff which is, in turn, grouped by tariff class. Therefore, each customer is a member of at least one tariff class.
• Clause 6.18.3(c) – Separate tariff classes must be constituted for retail customers to whom standard control services are supplied and customers to whom alternative control services are supplied (but a customer for both standard control services and alternative control services may be a member of two or more tariff classes).	• Tariff classes comprise only customers to whom standard control services are supplied, or alternative control services, but not both. That is, no tariff class comprises customers to whom both standard control services and alternative control services are supplied.
• Clause 6.18.3(d)(1) – A tariff class must be constituted with regard to the need to group customers together on an economically efficient basis.	• We have grouped tariffs into tariff classes based on the need to group customers on an economically efficient basis and in a way that adequately reflects customer characteristics and the costs of serving those customers. For instance, we group residential customers into a single tariff class because these customers tend to have similar characteristics through being low voltage installations for premises that are principally used as residential purposes.
• Clause 6.18.3(d)(2) – A tariff class must be constituted with regard to the need to avoid unnecessary transaction costs.	• See section 3.7 of this document.

3.2 Network tariff classes – standard control services

In general, the individual, demand and general tariff conditions outlined in this section have remained unchanged from those outlined in the Annual Distribution Pricing Proposal prepared for the previous regulatory year, with the exception of two new demand-based time of use tariffs designed for residential and small business customers that deploy distributed energy technologies, such as solar panels and battery storage. The network tariff classes for standard control services are shown in Table 3.

[5] TasNetworks, Revised Tariff Structure Statement 2019-2024 Final – April 2019
TasNetworks, Revised Tariff Structure Statement 2019-2024 – Explanatory Statement Final – April 2019

Table 3 Network tariff classes – standard control services

Network tariff class	Network tariff	Description
Residential	Residential low voltage general (**TAS31**)	This network tariff is for low voltage installations that are premises used wholly or principally as private residential dwellings.
	Residential low voltage pay as you go (**TAS101**)	This network tariff supports Aurora Energy's Pay As You Go (**PAYG**) product and is not to be used for any other application. This network tariff is for customers that have a specialised PAYG meter installed for the provision of the PAYG product. This network tariff is for low voltage installations that are premises used wholly or principally as private residential dwellings. ***This network tariff is obsolete, with no new connections allowed.***
	Residential low voltage time of use demand (**TAS87**)	This time of use demand network tariff is for low voltage installations that are premises used wholly or principally as private residential dwellings.
	Residential low voltage pay as you go time of use (**TAS92**)	This time of use network tariff supports Aurora Energy's PAYG product and is not to be used for any other application. This network tariff is for customers with a basic meter and Payguard meter configured for the provision of the PAYG product. This network tariff is for low voltage installations that are premises used wholly or principally as private residential dwellings. ***This network tariff is obsolete, with no new connections allowed.***
	Residential low voltage time of use (**TAS93**)	This time of use network tariff is for low voltage installations that are premises used wholly or principally as private residential dwellings.
	Residential low voltage Distributed Energy Resources (**TAS97**)	This time of use demand network tariff is for low voltage installations that are premises used wholly or principally as private residential dwellings where electricity storage, generation or electricity management devices – collectively referred to as "distributed energy resources" (**DER**) – have been deployed behind the meter.
Small Low Voltage	Business low voltage general (**TAS22**)	This is the basic, low voltage network tariff for installations that are not private residential dwellings.
	Business low voltage nursing homes (**TAS34**)	This low voltage network tariff is applicable only to those businesses registered as aged care facilities. ***This network tariff is abolished from 1 July 2019.***
	General network – business, curtilage (**TASCURT**)	This network tariff is for rural customers having a single low voltage connection point but requiring more than one meter due to site layout. The single connection point must supply an installation qualifying for and being supplied on the Business low voltage general network tariff (TAS22). ***This network tariff is abolished from 1 July 2019.***

Network tariff class	Network tariff	Description
	Business low voltage time of use demand (**TAS88**)	This time of use demand network tariff is for low voltage installations that are not private residential dwellings.
	Business low voltage time of use (**TAS94**)	This is the basic, time of use network tariff for low voltage installations that are not private residential dwellings.
	Business low voltage Distributed Energy Resources (**TAS98**)	This time of use demand network tariff is for low voltage installations that are not private residential dwellings, where electricity storage, generation and/or electricity management devices – collectively referred to as "distributed energy resources" (**DER**) have been deployed behind the meter.
Large Low Voltage	Business low voltage kVA demand (**TAS82**)	This demand-based network tariff is for installations taking low voltage multi-phase supply that are not private residential dwellings.
	Large business low voltage time of use demand (**TAS89**)	This time of use demand network tariff is for installations that are taking low voltage multi-phase supply that are not private residential dwellings.
Uncontrolled Energy	Uncontrolled low voltage heating (**TAS41**)	This network tariff is for low voltage installations. In installations that are private residential dwellings, this network tariff can only be applied to water heating and/or space heating loads, and/or domestic indoor pool heating. In installations that are not private residential dwellings, this network tariff is for water heating only.
Controlled Energy	Controlled low voltage energy – off peak with afternoon boost (**TAS61**)	This off-peak network tariff is for low voltage installations and includes an 'afternoon boost' component. For installations that are private residential dwellings, this network tariff may be applied to: • water heating and/or space heating and/or other "wired in" appliances as approved by TasNetworks; and • may be used for heating swimming pools, including those that incorporate a spa. Note that a spa from which the water goes to waste after use may not be connected on this tariff. For installations that are not private residential dwellings, this network tariff may be applied to: • water heating and/or space heating and/or other "wired in" appliances as approved by TasNetworks. ***This network tariff is obsolete and is not available to new customers.***

Network tariff class	Network tariff	Description
	Controlled low voltage energy – night period only (**TAS63**)	This network tariff is for low voltage installations and is only available during off-peak periods. For installations that are private residential dwellings, this network tariff may be applied to: • water heating and/or space heating and/or other circuits as approved by TasNetworks; and • may be used for heating swimming pools, including those that incorporate a spa. Note that a spa from which the water goes to waste after use may not be connected on this tariff. In the case of installations that are not private residential dwellings, this network tariff may only be applied to: • water heating and/or space heating, and/or other circuits as approved by TasNetworks.
Irrigation	Irrigation low voltage time of use (**TAS75**)	This low voltage time of use network tariff is for primary producers' business installations that are used solely for the irrigation of crops, which must be classified as ANZSIC class 01.
High Voltage	Business high voltage kVA specified demand (**TASSDM**)	This network tariff is for customers where: • connection is made to their site at high voltage; and • the expected Any Time Maximum Demand (**ATMD**) of the site is less than 2 MVA. Customers on this network tariff are able to agree with TasNetworks on a "Specified Demand" for their electrical installation. Once agreed this value is used in the calculation of Network Use of System (**NUoS**) charges for the following period of not less than 12 months. A site connected to the TasNetworks distribution network with this network tariff is not eligible for any other network tariff.
	Business high voltage kVA specified demand >2MVA (**TAS15**)	This network tariff is for customers where: • connection is made to their site at high voltage; and • the expected ATMD of the site is greater than 2 MVA. Customers on this network tariff are able to agree with TasNetworks on a "Specified Demand" for their electrical installation to be used in the calculation of NUoS charges. Once agreed this value will be applied to the following period of not less than 12 months. A site connected to the TasNetworks distribution network with this network tariff is not eligible for any other network tariff.

Network tariff class	Network tariff	Description
Individual Tariff Calculation	Individual tariff calculation (**TASCUS1**) (**TASCUS2**) (**TASCUS3**) (**TASCUS4**)	Individual Tariff Calculation (**ITC**) network tariffs will typically apply to customers with an electrical demand in excess of 2.0 MVA, or where a customer's circumstances in a pricing zone identify the average shared network charge to be meaningless or distorted. ITC network tariffs are determined by modelling the connection point requirements as requested by the customer or their agent. ITC prices are based on the TUoS charges applying to the nearest relevant transmission connection point, plus the charges associated with the shared distribution network utilised for the customer's electricity supply, as well as connection charges based on the connection assets utilised to supply the customer. This provides the greatest cost reflectivity for this type of customer and is feasible since the number of such customers is small. Terms and conditions for these customers are contained within individually negotiated connection agreements.
Unmetered	Unmetered supply low voltage general (**TASUMS**)	This network tariff is for small, low voltage, low demand installations with a relatively constant load profile. For example: • illuminated street signs; • public telephone kiosks; • electric fences; • two-way radio transmitters; • fixed steady wattage installations; • traffic lights; and • level crossings. All installations on this network tariff must have all components permanently connected. For the avoidance of doubt, an installation containing a power point does not qualify for this network tariff.
Street Lighting	Unmetered supply low voltage public lighting (**TASUMSSL**)	This network tariff is for customers that have a lighting service provided by TasNetworks. This network tariff does not cover the installation and/or replacement of lamps, which are charged separately.

3.3 Tariff structure and charging parameters

Section 3 of TasNetworks' TSS[6] sets out our tariff structure and network charging parameters.

3.3.1 Recovery of Distribution Use of System

Network tariffs and charging parameters are designed to recover the approved revenue, consistent with the calculation of the Revenue Cap. The network charging parameters adopted by TasNetworks for the recovery of standard control services Distribution Use of System (**DUoS**) tariffs are detailed in Table 4.

[6] TasNetworks, Revised Tariff Structure Statement 2019-2024 Final – April 2019
TasNetworks, Revised Tariff Structure Statement 2019-2024 – Explanatory Statement Final – April 2019

Table 4 Recovery of Distribution Use of System

		Network Tariff charging (Parameter)				
Tariff class	**Network tariff code**	**Daily charge (c/day)**	**Volume charge[1] (c/kWh)**	**Demand charge (c/kW/day)**	**Demand charge (c/kVA/day)**	**Specified demand charge (c/kVA/day)**
Residential	TAS31	✓	✓			
	TAS92	✓	✓			
	TAS101	✓	✓			
	TAS87	✓		✓[2]		
	TAS93	✓	✓[2]			
	TAS97	✓		✓		
Small Low Voltage	TAS22	✓	✓			
	TAS34	✓	✓			
	TASCURT	✓	✓			
	TAS88	✓		✓[2]		
	TAS94	✓	✓[3]			
	TAS98	✓		✓		
Large Low Voltage	TAS82	✓	✓		✓	
	TAS89	✓			✓[2]	
Uncontrolled Energy	TAS41	✓	✓			
Controlled Energy	TAS61	✓	✓			
	TAS63	✓	✓			
Irrigation	TAS75	✓	✓[3]			
High Voltage	TASSDM	✓	✓[3]			✓
	TAS15	✓	✓[3]			✓
Individual Tariff Calculation	TASCUS1	✓	✓			✓
	TASCUS2	✓	✓			✓
	TASCUS3	✓	✓[3]			✓
	TASCUS4	✓	✓[3]			✓
Unmetered	TASUMS	✓	✓			
Street Lighting	TASUMSSL		✓[4]			

1 Volume charge can be a combination of step or time of use parameters.
2 These charges comprise both peak and off peak components.
3 These charges comprise peak, shoulder and off peak components.
4 Public lighting is charged on the basis of ¢/lamp watt/day.

3.3.2 Recovery of Transmission Use of System

Electricity is received into TasNetworks' distribution network primarily from TasNetworks' transmission network. The transmission network is separately regulated by the AER and, for the purposes of transmission cost recovery and billing, the distribution network's connections with the transmission network are treated as if they belong to an independent customer. Transmission use of system (**TUoS**) charges levied on the distribution network are, in turn, recovered by TasNetworks from customers connected to the distribution network as a component of network tariffs.

The network tariffs applied to customers connected to the distribution network, to recover transmission costs, are based on the expected TUoS charges that will be incurred at each connection point with the distribution network. These are aggregated and then adjusted for past under or over recoveries of TUoS by the distributor, as per the AER's distribution determination for TasNetworks[7]. TUoS charges are allocated to network tariff classes using the Total Efficient Cost (**TEC**) model[8]. The TUoS charges applied to the distribution network and recovered from customers connected to the distribution network comprise variable charges only.

The distribution network in Tasmania has in excess of 30 transmission connection points, each with its own pricing. TasNetworks is required to provide all low voltage customers in Tasmania with a 'postage stamp' price, irrespective of the transmission connection point which supplies the distribution network in their area. Consequently, TasNetworks only preserves the locational pricing signals within the transmission network charges for larger, high voltage customers that take their supply from the distribution network. These largest customers are generally covered by the individual tariff calculation and business high voltage kVA specified demand (>2MVA) network tariffs (TASSDM, TAS15, and ITC).

The network charging parameters adopted by TasNetworks for the recovery of standard control services TUoS tariffs are detailed in Table 5.

Table 5 Recovery of Transmission Use of System

		Network Tariff charging (Parameter)				
Tariff class	**Network tariff code**	**Daily charge (c/day)**	**Volume charge[1] (c/kWh)**	**Demand charge (c/kW/day)**	**Demand charge (c/kVA/day)**	**Specified demand charge (c/kVA/day)**
Residential	TAS31		✓			
	TAS92		✓			
	TAS101		✓			
	TAS87			✓[2]		
	TAS93		✓[2]			
	TAS97			✓		
Small Low Voltage	TAS22		✓			
	TAS34		✓			
	TASCURT		✓			
	TAS88			✓[2]		

[7] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

[8] See attachment PP001 to this Annual Distribution Pricing Proposal entitled 'TEC Methodology 2019-20'.

		Network Tariff charging (Parameter)				
Tariff class	**Network tariff code**	**Daily charge (c/day)**	**Volume charge[1] (c/kWh)**	**Demand charge (c/kW/day)**	**Demand charge (c/kVA/day)**	**Specified demand charge (c/kVA/day)**
	TAS94		✓[3]			
	TAS98			✓		
Large Low Voltage	TAS82		✓		✓	
	TAS89				✓[2]	
Uncontrolled Energy	TAS41		✓			
Controlled Energy	TAS61		✓			
	TAS63		✓			
Irrigation	TAS75		✓[3]			
HV	TASSDM		✓[3]			✓
	TAS15					✓[4]
ITC	TASCUS1					✓[4]
	TASCUS2					✓[4]
	TASCUS3					✓[4]
	TASCUS4					✓[4]
Unmetered	TASUMS		✓			
Street Lighting	TASUMSSL		✓[5]			

1 Volume charge can be a combination of step or time of use parameters.
2 These charges comprise both peak and off peak components.
3 These charges comprise peak, shoulder and off peak components.
4 Demand charge is locational and based upon the transmission connection point.
5 Public lighting is charged on the basis of ¢/lamp watt/day.

3.4 Tariff classes – alternative control services

TasNetworks has made changes to the existing tariff class for alternative control services as set out in our TSS[9], and the changes are also discussed in section 12 of this document. The following tables set out the metering, public lighting, ancillary service – fee based services and ancillary service – quoted service groupings of alternative control services:

- Table 6 Meter classes for metering services
- Table 7 Public lighting types for public lighting services
- Table 8 Contract lighting types for public lighting services
- Table 9 Ancillary service – fee based services
- Table 10 Ancillary service – quoted services

9 TasNetworks, Revised Tariff Structure Statement 2019-2024 Final – April 2019
TasNetworks – Revised Tariff Structure Statement 2019-2024 – Explanatory Statement Final – April 2019

Table 6 Meter classes for metering services

Meter Class	Definition
Domestic LV – single phase	Type 6 metering services provided to residential customers with a single phase connection.
Domestic LV – multi-phase	Type 6 metering services provided to residential customers with multiple phase connections.
Domestic LV – CT meters	Type 6 metering services provided to residential customers that require the installation of current or voltage transformers.
Business LV – single phase	Type 6 metering services provided to commercial customers that have a single phase connection.
Business LV – multi-phase	Type 6 metering services provided to commercial customers with multiple phase connections.
Business LV – CT meters	Type 6 metering services provided to commercial customers that require the installation of current or voltage transformers.
Other meters (PAYG)	Type 5 or Type 6 metering services provided to customers that do not belong to one of the other meter classes. These meters include the meters that are provided in support of Aurora Energy's Pay As You Go pre-paid metering product.

Table 7 Public lighting types for public lighting services

Lighting type	Definition
New technology – minor	The provision, maintenance and replacement of TasNetworks owned new or emerging lighting technology for minor light fittings.
New technology – major	The provision, maintenance and replacement of TasNetworks owned new or emerging lighting technology for major light fittings.
14W LED	The provision, maintenance and replacement of TasNetworks owned 14 watt LED light fittings.
14W LED decorative	The provision, maintenance and replacement of TasNetworks owned 14 watt LED light fittings. ***This lighting type is obsolete, with no new connections allowed.***
18W LED	The provision, maintenance and replacement of TasNetworks owned 18 watt LED light fittings.
18W LED decorative	The provision, maintenance and replacement of TasNetworks owned 18 watt LED light fittings.
25W LED	The provision, maintenance and replacement of TasNetworks owned 25 watt LED light fittings.
25W LED decorative	The provision, maintenance and replacement of TasNetworks owned 25 watt LED light fittings.
42W compact fluorescent	The provision, maintenance and replacement of TasNetworks owned 42 watt compact fluorescent light fittings.
42W compact fluorescent – bottom pole entry	The provision, maintenance and replacement of TasNetworks owned 42 watt compact fluorescent light fittings.
70W sodium vapour	The provision, maintenance and replacement of TasNetworks owned 70 watt sodium vapour light fittings.

Lighting type	Definition
100W sodium vapour	The provision, maintenance and replacement of TasNetworks owned 100 watt sodium vapour light fittings.
150W sodium vapour	The provision, maintenance and replacement of TasNetworks owned 150 watt sodium vapour light fittings.
250W sodium vapour	The provision, maintenance and replacement of TasNetworks owned 250 watt sodium vapour light fittings.
400W sodium vapour	The provision, maintenance and replacement of TasNetworks owned 400 watt sodium vapour light fittings.
250W sodium vapour – flood light	The provision, maintenance and replacement of TasNetworks owned 250 watt sodium vapour light fittings.
400W sodium vapour – flood light	The provision, maintenance and replacement of TasNetworks owned 400 watt sodium vapour light fittings.
100W metal halide	The provision, maintenance and replacement of TasNetworks owned 100 watt metal halide light fittings.
150W metal halide	The provision, maintenance and replacement of TasNetworks owned 150 watt metal halide light fittings.
250W metal halide	The provision, maintenance and replacement of TasNetworks owned 250 watt metal halide light fittings.
400W metal halide	The provision, maintenance and replacement of TasNetworks owned 400 watt metal halide light fittings.
250W metal halide – flood light	The provision, maintenance and replacement of TasNetworks owned 250 watt metal halide light fittings.
400W metal halide – flood light	The provision, maintenance and replacement of TasNetworks owned 400 watt metal halide light fittings.
T5 fluorescent 2 x 24W	The provision, maintenance and replacement of TasNetworks owned 2 x 24 watt compact fluorescent light fittings. ***This lighting type is obsolete, with no new connections allowed***
1 x 20W fluorescent	The provision, maintenance and replacement of TasNetworks owned 1 x 20 watt fluorescent light fittings. ***This lighting type is obsolete, with no new connections allowed***
50W mercury vapour	The provision, maintenance and replacement of TasNetworks owned 50 watt mercury vapour light fittings. ***This lighting type is obsolete, with no new connections allowed***
80W mercury vapour	The provision, maintenance and replacement of TasNetworks owned 80 watt mercury vapour light fittings. ***This lighting type is obsolete, with no new connections allowed.***
80W mercury vapour – decorative	The provision, maintenance and replacement of TasNetworks owned 80 watt mercury vapour decorative light fittings. ***This lighting type is obsolete, with no new connections allowed.***
125W mercury vapour	The provision, maintenance and replacement of TasNetworks owned 125 watt mercury vapour light fittings. ***This lighting type is obsolete, with no new connections allowed.***

Lighting type	Definition
250W mercury vapour	The provision, maintenance and replacement of TasNetworks owned 250 watt mercury vapour light fittings. ***This lighting type is obsolete, with no new connections allowed.***
400W mercury vapour	The provision, maintenance and replacement of TasNetworks owned 400 watt mercury vapour light fittings. ***This lighting type is obsolete, with no new connections allowed.***

Table 8 Contract lighting types for public lighting services

Lighting type	Definition
New technology – minor	The maintenance of customer owned new or emerging lighting technology for minor light fittings.
New technology – major	The maintenance of customer owned new or emerging lighting technology for major light fittings.
14W LED	The maintenance of customer owned 14 watt LED light fittings.
14W LED decorative	The maintenance of customer owned 14 watt LED light fittings. ***This lighting type is obsolete, with no new connections allowed.***
18W LED	The maintenance of customer owned 18 watt LED light fittings.
18W LED decorative	The maintenance of customer owned 18 watt LED light fittings.
25W LED	The maintenance of customer owned 25 watt LED light fittings.
25W LED decorative	The maintenance of customer owned 25 watt LED light fittings.
42W compact fluorescent	The maintenance of customer owned 42 watt compact fluorescent light fittings.
42W compact fluorescent – bottom pole entry	The maintenance of customer owned 42 watt compact fluorescent light fittings.
70W sodium vapour	The maintenance of customer owned 70 watt sodium vapour light fittings.
100W sodium vapour	The maintenance of customer owned 100 watt sodium vapour light fittings.
150W sodium vapour	The maintenance of customer owned 150 watt sodium vapour light fittings.
250W sodium vapour	The maintenance of customer owned 250 watt sodium vapour light fittings.
400W sodium vapour	The maintenance of customer owned 400 watt sodium vapour light fittings.
250W sodium vapour – flood light	The maintenance of customer owned 250 watt sodium vapour light fittings.
400W sodium vapour – flood light	The maintenance of customer owned 400 watt sodium vapour light fittings.
100W metal halide	The maintenance of customer owned 100 watt metal halide light fittings.
150W metal halide	The maintenance of customer owned 150 watt metal halide light fittings.

Lighting type	Definition
250W metal halide	The maintenance of customer owned 250 watt metal halide light fittings.
400W metal halide	The maintenance of customer owned 400 watt metal halide light fittings.
250W metal halide – flood light	The maintenance of customer owned 250 watt metal halide light fittings.
400W metal halide – flood light	The maintenance of customer owned 400 watt metal halide light fittings.
50W mercury vapour	The maintenance of customer owned 50 watt mercury vapour light fittings. ***This lighting type is obsolete, with no new connections allowed.***
80W mercury vapour	The maintenance of customer owned 80 watt mercury vapour light fittings. ***This lighting type is obsolete, with no new connections allowed.***
80W mercury vapour – decorative	The maintenance of customer owned 80 watt mercury vapour light fittings. ***This lighting type is obsolete, with no new connections allowed.***
125W mercury vapour	The maintenance of customer owned 125 watt mercury vapour light fittings. ***This lighting type is obsolete, with no new connections allowed.***
250W mercury vapour	The maintenance of customer owned 250 watt mercury vapour light fittings. ***This lighting type is obsolete, with no new connections allowed.***
400W mercury vapour	The maintenance of customer owned 400 watt mercury vapour light fittings. ***This lighting type is obsolete, with no new connections allowed.***
1 x 20W fluorescent	The maintenance of customer owned 1 x 20 watt fluorescent light fittings. ***This lighting type is obsolete, with no new connections allowed.***
2 x 20W fluorescent	The maintenance of customer owned 2 x 20 watt fluorescent light fittings. ***This lighting type is obsolete, with no new connections allowed.***
1 x 40W fluorescent	The maintenance of customer owned 1 x 40 watt fluorescent light fittings. ***This lighting type is obsolete, with no new connections allowed.***
2 x 40W fluorescent	The maintenance of customer owned 2 x 40 watt fluorescent light fittings. ***This lighting type is obsolete, with no new connections allowed.***
3 x 40W fluorescent	The maintenance of customer owned 3 x 40 watt fluorescent light fittings. ***This lighting type is obsolete, with no new connections allowed***
4 x 40W fluorescent	The maintenance of customer owned 4 x 40 watt fluorescent light fittings. ***This lighting type is obsolete, with no new connections allowed.***

Lighting type	Definition
4 x 20W fluorescent	The maintenance of customer owned 4 x 20 watt fluorescent light fittings. ***This lighting type is obsolete, with no new connections allowed.***
60W incandescent	The maintenance of customer owned 60 watt incandescent light fittings. ***This lighting type is obsolete, with no new connections allowed.***
100W incandescent	The maintenance of customer owned 100 watt incandescent light fittings. ***This lighting type is obsolete, with no new connections allowed.***

Table 9 Ancillary service – fee based services

Service	Description
Energisation, de-energisation, re-energisation and special reads	
Site visit – no appointment (energisation, de-energisation, re-energisation)	A visit to a customer's premises during normal operational hours on a regular scheduled day for service delivery, where no appointment is required.
Site visit – no appointment (special reads)	A visit to a customer's premises during normal operational hours on a regular scheduled day for service delivery, where no appointment is required.
Site visit – non-scheduled visit	A visit to a customer's premises during normal operational hours where the requested date is on a day that is not a regular scheduled day for service delivery.
Site visit – same day premium service	A visit to a customer's premises during normal operational hours where the visit is required on the same day of a retailer's request and the request is received by TasNetworks after 11:00am on that day.
Site visit – after hours	A visit to a customer's premises where the visit is required on the day of a customer's request and the request for the service is organised for outside normal operational hours.
Site visit – credit action or site issues	A visit to a customer's premises during normal operational hours where no appointment is required on a regular scheduled day for service delivery and the visit is due to a credit issue or a request by a retailer for the site to be de-energised without consultation with the customer.
Site visit – credit action pillar box/pole top	A visit to a customer's premises during normal operational hours where no appointment is required on a regular scheduled day due for services delivery and visit is due to a credit issue to perform a de-energisation other than at the distribution point of attachment, switchboard isolation fuse or disconnect switch and the visit occurs.
Site visit – current transformer (CT) metering	Visit to a customer's premises during normal operational hours on a scheduled service delivery day to de-energise or re-energise a site where current transformer metering exists.
Site visit – pillar box/pole top	A visit to customer's premises during normal operational hours where no appointment is required to de-energise the site by means other than the point of attachment, switchboard isolation fuse or disconnect switch without consultation with the customer.

Service	Description
Site visit – pillar box/pole top wasted visit	A visit to a customer's premises during operational hours to undertake a site visit – pillar box/pole top where the service could not be completed due to issues at the customer's premises.
Transfer of retailer	The transfer of premises to a new retailer with an effective date as per the scheduled meter read date and where no site visit is required will not incur a fee. The transfer of premises to a new retailer that involves a site visit or requested for a date other than of the scheduled meter read date will incur a site visit fee.
Meter test	
Meter test – single phase	A visit to a customer's premises during normal operational hours to test a single phase meter at the customer's request.
Meter test – multi-phase	A visit to a customer's premises during normal operational hours to test a multi-phase meter at the customer's request.
Meter test – CT	A visit to a customer's premises during normal operational hours to test a current transformer (CT) meter at the customer's request.
Meter test – after hours	A visit to a customer's premises outside normal operational hours, at the request of the retailer, to undertake a meter test.
Meter test –wasted visit	A visit to a customer's premises during normal operational hours to test a meter at the customer's request, where the test could not be completed due to issues at the customer's premises.
Supply abolishment	
Remove service and meters	The removal of meters and a service connection during normal operational hours at a customer's request or prior to building demolition.
Supply abolishment – after hours	A visit to a customer's premises outside normal operational hours, at the request of a retailer, to abolish supply.
Supply abolishment – wasted visit	A visit to a customer's premises to abolish supply where the service could not be completed due to issues at the customer's premises.
Truck tee-up	
Tee-up/Appointment	A tee-up with a TasNetworks crew during operational hours.
Tee-up/Appointment – after hours	A tee-up with overhead crew whilst undertaking work at customer's installation outside operational hours.
Tee-up/Appointment – no truck – after hours	A tee-up with underground crew whilst undertaking work at customer's installation outside operational hours.
Tee-up – wasted visit	A tee-up where the works could not be completed due to issues on site or where the TasNetworks crew was not required once on site.
Miscellaneous services	
Open turret	Visit to site to open turret or cabinet during operational hours for electrical contractor installing or altering customer's mains.
Data download	Visit to a customer's premises during operational hours to download data from a meter.

Service	Description
Alteration to unmetered supply	Visit to a customer's premises during operational hours to add or remove a load on an existing unmetered supply site.
Meter relocation	Visit to a customer's premises during operational hours to relocate an existing metering position to a new location where the point of attachment has not altered position.
Tiger tails – standard single/multi-phase	Initial visit and return to customer's premises during operational hours to install/remove tiger tails. This includes attaching visual warning devices on the service wire and point of attachment and insulated rubber matting where no isolations have been made.
Tiger tails – scaffolding single phase	Initial visit and return to customer's premises during operational hours to install/remove tiger tails. This includes attaching visual warning devices on the service wire and point of attachment and insulated rubber matting where the service is required to be disconnected and reconnected to facilitate the installation for a single phase connection.
Tiger tails – scaffolding multi-phase	Initial visit and return to customer's premises during operational hours to install/remove tiger tails. This includes attaching visual warning devices on the service wire and point of attachment and insulated rubber matting where the service is required to be disconnected and reconnected to facilitate the installation for a multi-phase connection.
Administration	An administration charge levied when office work is required to be performed to complete a task at the customer's request that is not described elsewhere.
Statutory right – access prevented	A charge to facilitate a standard warrant to access premises in order to disconnect where access is being prevented. This involves administrative actions only.
Tariff change	A change of tariff where no site visit is required, only administration actions.
Emergency maintenance contestable meters	Visit to a customer's premises during operational hours to rectify a fault on an external metering provider's equipment or where an outage has been caused by the metering provider and TasNetworks has to restore power to the customer's premises.
Emergency maintenance contestable meters – after hours	Visit to a customer's premises outside operational hours to rectify a fault on an external metering provider's equipment or where an outage has been caused by the metering provider and TasNetworks has to restore power to the customer's premises.
Meter recovery and disposal	Visit to a customer's premises during operational hours to remove and dispose of type 5 or 6 meters at the request of the metering provider.
Miscellaneous service	Visit to a customer's premises, at the request of their retailer, during operational hours, to perform a service that is not described elsewhere.
Miscellaneous service – after hours	Visit to a customer's premises outside operational hours to perform a service that is not described elsewhere.

Service	Description
Miscellaneous service – wasted visit	Visit to a customer's premises during operational hours for the requested miscellaneous service where the service could not be completed due to issues on site or where the crew was not required once on site.
Connection establishment charges	
Creation of a NMI	A charge to facilitate the office administration associated with the creation of a NMI.
Overhead service, single span – single phase	A visit to a customer's premises during field operation hours for the installation of a single span of single phase overhead service wire (off a pole) and associated service fuse.
Overhead service, single span – multi-phase	A visit to a customer's premises during operation hours for installation of a single span of multi-phase overhead service wire (off a pole) and associated service fuses.
Underground service in turret/cabinet– single phase	A visit to a customer's premises during operation hours for installation of a single phase underground service connecting the customer's consumer mains to the fuse located in a TasNetworks turret or cabinet.
Underground service in turret/cabinet – multi-phase	A visit to a customer's premises during operation hours for installation of a multi-phase underground service connecting the customer's consumer mains to the fuses located in a TasNetworks turret or cabinet.
Underground service with pole mounted fuse – single phase	A visit to a customer's premises during operation hours for installation of a single phase underground service connecting the customer's consumer mains to a fuse located on a TasNetworks pole or private pole.
Underground service with pole mounted fuse – multi-phase	A visit to a customer's premises during operation hours for installation of a multi-phase underground service connecting the customer's consumer mains to the fuses located on a TasNetworks pole or private pole.
Basic connection – after hours	A visit to a customer's premises outside operational hours for the basic connection service
Connection establishment wasted visit	Site visit to provide basic connection service where the connection could not be completed due to issues at the site.
Temporary disconnections charges	
Disconnect/reconnect overhead service for fascia repairs – single phase	A visit to a customer's premises during operation hours to disconnect and reconnect an existing TasNetworks single span of single phase overhead service wire whilst repairs are made to a fascia containing the customer's connection point for the overhead service wire.
Disconnect/reconnect overhead service for fascia repairs – multi-phase	A visit to a customer's premises during operation hours to disconnect and reconnect an existing TasNetworks single span of multi-phase overhead service wire whilst repairs are made to a fascia containing the customer's connection point for the overhead service wire.
Temporary disconnect/ reconnect – after hours	A visit to a customer's premises outside operational hours to perform temporary disconnection.

Service	Description
Temporary disconnect/ reconnect – wasted visit	A visit to a customer's premises during operational hours for the requested temporary disconnection where the service could not be completed due to issues on site or where the crew was not required once on site.
Basic connection alteration	
Connection alteration – overhead single phase Includes: • new consumer mains – overhead supply • new consumer mains – underground to pole • changeover new consumer mains to new private pole • changeover overhead service to new point of attachment	A visit to a customer's premises during operation hours for a single phase connection alteration following an alteration to the customer's installation. The customer's supply of electricity will be interrupted by TasNetworks while this basic connection service is being provided.
Connection alteration – overhead multi-phase Includes: • new consumer mains – overhead supply • new consumer mains – • underground to pole • changeover new consumer mains to new private pole changeover overhead service to new point of attachment	A visit to a customer's premises during operation hours for a multi-phase connection alteration following an alteration to the customer's installation. The customer's supply of electricity will be interrupted by TasNetworks while this basic connection service is being provided.
Connection of new consumer mains to an existing installation – underground single phase to turret	A visit to a customer's premises during operational hours for a connection of new single phase consumer mains to the existing TasNetworks distribution network following an alteration to the customer's installation. The customer's supply of electricity will be interrupted by TasNetworks while this basic connection service is being provided.
Connection of new consumer mains to an existing installation – underground single phase to pole	A visit to a customer's premises during operational hours for a connection of new single phase consumer mains to the existing TasNetworks distribution network following an alteration to the customer's installation. The customer's supply of electricity will be interrupted by TasNetworks while this basic connection service is being provided.
Connection of new consumer mains to an existing installation – underground multi-phase to turret	A visit to a customer's premises during operational hours for a connection of new multi-phase consumer mains to the existing TasNetworks distribution network following an alteration to the customer's installation. The customer's supply of electricity will be interrupted by TasNetworks while this basic connection service is being provided.

Service	Description
Connection of new consumer mains to an existing installation – underground multi-phase to pole	A visit to a customer's premises during operational hours for a connection of new multi-phase consumer mains to the existing TasNetworks distribution network following an alteration to the customer's installation. The customer's supply of electricity will be interrupted by TasNetworks while this basic connection service is being provided.
Augment single phase overhead service to multi-phase supply	A visit to a customer's premises during operational hours for a disconnect and remove existing single span of single phase overhead service wire, and associated service fuse, and connect new single span of multi-phase overhead service wire and associated service fuses to the existing TasNetworks distribution network. The existing single phase overhead service wire must be removed and not reused. The customer's supply of electricity will be interrupted by TasNetworks while this basic connection service is being provided. This service requires a connection application.
Augment multi-phase overhead service to single phase supply	A visit to a customer's premises during operational hours for a disconnect and remove existing single span of multi-phase overhead service wire, and associated service fuses, and connect new single span of single phase overhead service wire and associated service fuse to the existing TasNetworks distribution network. The existing multi-phase overhead service wire will be removed and not reused. The customer's supply of electricity will be interrupted by TasNetworks while this basic connection service is being provided. This service requires a connection application.
Augment single phase overhead service to underground supply (turret)	A visit to a customer's premises during operational hours to disconnect and remove existing single span of single phase overhead service wire, and associated service fuse, and connect new single phase underground consumer mains to the fuse located in an existing TasNetworks turret or cabinet. The existing single phase overhead service wire will be removed and not reused. The customer's supply of electricity will be interrupted by TasNetworks while this basic connection service is being provided. Customers also requiring the installation of a TasNetworks turret or cabinet will be required to follow TasNetworks' negotiated connection process and will have their charges determined in accordance with that process. This service requires a connection application.

Service	Description
Augment multi-phase overhead service to underground supply (turret)	A visit to a customer's premises during operational hours to disconnect and remove existing single span of multi-phase overhead service wire, and associated service fuses, and connect new multi-phase underground consumer mains to the fuses located in an existing TasNetworks turret or cabinet. The existing multi-phase overhead service wire will be removed and not reused. The customer's supply of electricity will be interrupted by TasNetworks while this basic connection service is being provided. Customers also requiring the installation of an TasNetworks turret or cabinet will be required to follow TasNetworks' negotiated connection process and will have their charges determined in accordance with that process. This service requires a connection application.
Augment single phase overhead service to underground supply (pole)	A visit to a customer's premises during operational hours to disconnect and remove existing single span of single phase overhead service wire, and associated service fuse, and connect new single phase underground consumer mains to a fuse located on a TasNetworks pole. The existing single phase overhead service wire will be removed and not re-used. The customer's supply of electricity will be interrupted by TasNetworks while this basic connection service is being provided. This service requires a connection application.
Augment multi-phase overhead service to underground supply (pole)	A visit to a customer's premises during operational hours to disconnect and remove existing single span of multi-phase overhead service wire, and associated service fuses, and connect new multiphase underground consumer mains to the fuses located on a TasNetworks pole. The existing multi-phase overhead service wire will be removed and not reused. The customer's supply of electricity will be interrupted by TasNetworks while this basic connection service is being provided. This service requires a connection application.
Basic connection alteration – after hours	A visit to a customer's premises outside operational hours to perform basic connection alteration.
Basic connection wasted visit	Site visit to provide basic connection service where the underground connection could not be completed due to issues at the site.

Table 10 Ancillary service – quoted services

Service
New design and construction fees
• Standard application fee
• Application fee
Maximum service: • Design cost – design audit fee (small) • Design cost – design audit fee (large) • Design cost – design audit fee (major) • Construction cost – construction audit fee (small) • Construction cost – construction audit fee (large) • Construction cost – construction audit fee (major)
Minimum service: • Design cost – design audit fee (small) • Design cost – design audit fee (large) • Design cost – design audit fee (major) • Construction cost – construction audit fee (small) • Construction cost – construction audit fee (large) • Construction cost – construction audit fee (major)
Non-standard services
Removal or relocation of TasNetworks' assets at the request of a customer or third party (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 overhead or underground subdivision for developers
Services that are provided through a non-standard process at a customer's request (for example, where more frequent meter reading is required)
Network safety services
Customer vegetation defect works
Premises connection services and extension
Connection application services (other than those provided as ancillary services – fee based services)
Design work for a new connection
Access permits, oversight and facilitation
Notice of arrangement
Network related property services
Planned interruption – customer requested
Provision of training to third parties for network related access

3.5 Assignment of customers to tariffs

Section 4 of our TSS[10] sets out the principles TasNetworks must adhere to in assigning customers to tariff classes and applies to all direct control services (i.e. both standard control and alternative control services).

The assignment processes are discussed in more detail in the attached Network Tariff Application and Price Guide (PP002); Metering Services Application and Price Guide (PP003); Public Lighting Application and Price Guide (PP004); and Ancillary Services – Fee Based Services Application and Price Guide (PP005).

3.6 System of assessment and review of the basis on which a customer is charged

In accordance with the AER's distribution determination[11], TasNetworks' Annual Distribution Pricing Proposal must contain provision for a system of assessment and review of the basis on which a customer is charged, if the charging parameters for a particular tariff result in a basis of charge that varies according to the usage or load profile of the customer. TasNetworks considers that the basis of charge may vary according to usage or load profile where either:

- a change in the usage or load profile of a customer indicates that a different network tariff is applicable; or
- within a network tariff, the charging parameter changes according to the customer's usage.

TasNetworks reviews the assignment of customers to its tariff classes as part of the annual process of developing its tariffs for AER approval. TasNetworks, in conjunction with retailers, has set procedures and criteria to determine when it may be appropriate for a customer to be reassigned to a differing tariff or tariff class, or that the basis of the customer's demand charges should be amended. This change is usually the result of changes in the customer's energy consumption, expected maximum demand or connection characteristics. These procedures ensure the customer's underlying network tariff is appropriate to the assumed usage or load profile.

In addition to this annual review process, customers (or a customer's retailer) are able to request that TasNetworks reviews and changes a network tariff assigned to a customer in the event of variation to the customer's usage or load profile. Provided TasNetworks agrees to a change in network tariff, this change can take effect during a regulatory year. TasNetworks uses the procedures and criteria discussed above to determine if it is appropriate to change the network tariff assigned to a customer.

3.7 Transaction costs

Clause 6.18.3(d)(2) of the Rules requires each tariff and, if it consists of two or more charging parameters, each charging parameter for a tariff class to be developed having regard to transaction costs associated with the tariff or charging parameter.

---

[10] TasNetworks, Revised Tariff Structure Statement 2019-2024 Final– April 2019
TasNetworks, Revised Tariff Structure Statement 2019-2024 – Explanatory Statement Final – April 2019

[11] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

TasNetworks has not altered the structure or format of its network tariffs from those included in the Annual Distribution Pricing Proposal of the previous regulatory year with the exception of the introduction of two new distributed energy resource time of use demand tariffs which was introduced partway through the 2018-19 financial year. As discussed in our proposed TSS (2019-2024)[12] we have consulted with our customers to provide awareness of the structure of the new (opt-in) demand tariffs. Except for our new demand based tariffs, TasNetworks' charging parameters and network tariffs are well known to our customers and their retailers.

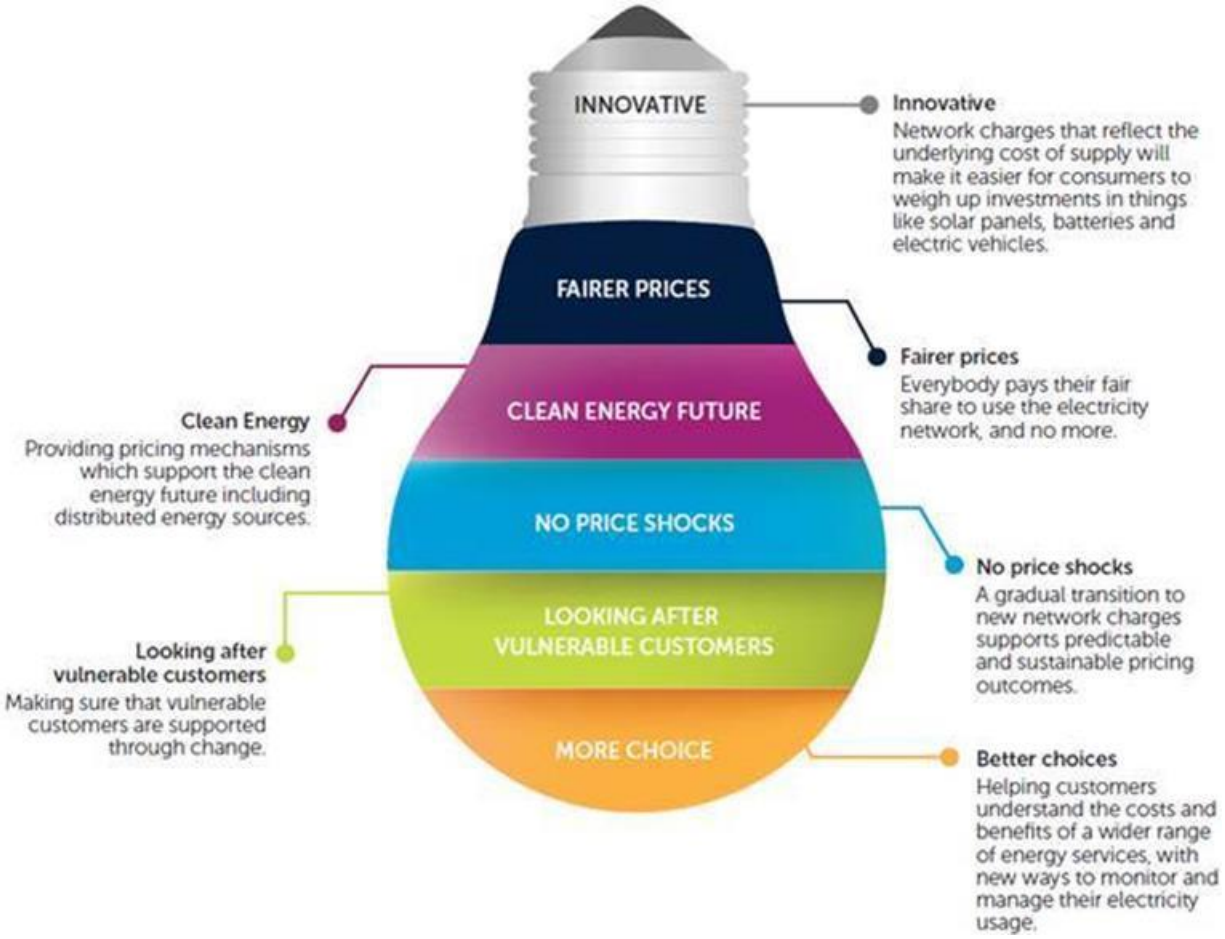
A combination of various parameters has been used to ensure that appropriate pricing signals are provided to customers. However, the number and design of these parameters has been selected with regard to minimising the associated transaction costs.

[12] TasNetworks Tariff Structure Statement 2019-2024 – January 2018

4 Pricing principles

The following illustration highlights some of the key benefits of network tariff reform for our customers.

Figure 1: Key benefits of network tariff reform



4.1 Overview

TasNetworks' TSS[13] sets out the checks and balances that we apply in our tariff setting process which include:

- that overall forecast revenue, when summed across the network tariff class, is not more than the revenue allowance approved by the AER after allowing for the under-or over-recoveries in prior year, adjustments for actual inflation and pass-through, such as the electrical safety levy;
- we have considered and managed annual bill impacts on our customers, and ensured the annual percentage changes in tariffs classes are within the side constraints approved by the AER;
- the revenue for each tariff class lies between the stand-alone and avoidable costs for that tariff class;
- the revenue for each tariff is at, or moving towards, recovery of the total efficient cost for that tariff; and

[13] TasNetworks – Revised Tariff Structure Statement 2019-2024 – Explanatory Statement Final – April 2019

- where applicable, the peak demand component of the tariff is set at a level to recover the long run marginal cost for that tariff.

Clause 6.18.5 of the Rules sets out the principles that TasNetworks should adopt in preparing our tariffs. TasNetworks' pricing principles reflect the requirements of the Rules. Section 6 and appendix C: Designing cost reflective tariffs of our TSS[14] sets out how we have addressed the rule requirements in our pricing principles.

4.2 Stand-alone and avoidable costs

Clause 6.18.5(e) of the Rules requires that the revenue expected to be recovered from each tariff class lie on or between an upper bound representing the stand-alone cost of serving the customers who belong to that class and a lower bound representing the avoidable cost of not serving those customers.

The Rules do not specifically define avoidable and stand-alone costs or set out the methodology that should be applied to calculate these costs. TasNetworks has interpreted the upper and lower bounds for each network tariff class as follows:

- Stand-alone cost (upper bound) – we calculate this amount as the cost of servicing all customers under that tariff class, assuming no other tariff classes are being served from our distribution system. This is the cost that we would theoretically incur if we provided services solely to that tariff class.
- Avoidable cost (lower bound) – we calculate this amount as the total cost avoided if that tariff class was not served, while other classes remained served. This represents the dedicated costs incurred to provide services to that tariff class.

4.3 Stand-alone and avoidable costs – standard control services

Table 11 demonstrates that we expect the revenue in each network tariff class for standard control services to fall between the avoidable and stand-alone costs for each network tariff class.

Table 11 Stand-alone and avoidable cost boundaries 2019-20

Network tariff class	Avoidable cost ($m)	Expected revenue ($m)*	Stand-alone cost ($m)
Individual Tariff Calculation	0.034	2.193	211.150
High Voltage	0.393	6.836	211.494
Irrigation	0.414	6.142	211.530
Large Low Voltage	1.491	18.592	211.404
Small Low Voltage	3.105	53.277	212.695
Residential	7.981	109.407	218.100
Uncontrolled Energy	0.000	35.258	211.116
Controlled Energy	0.000	1.351	211.116
Unmetered	0.038	1.269	211.154
Street Lighting	0.090	1.293	211.206

[14] TasNetworks, Revised Tariff Structure Statement 2019-2024 Final – April 2019
TasNetworks, Revised Tariff Structure Statement 2019-2024 – Explanatory Statement Final – April 2019

* The expected revenue excludes side constraint adjustments.

4.4 Stand-alone and avoidable costs – alternative control services

TasNetworks provides its alternative control services using a mix of shared and dedicated physical assets and labour. It prices each of these services on a full cost recovery basis using the formula approved by the AER.

4.5 Long run marginal cost

Clause 6.18.5(f) of the Rules requires that each tariff must be based on the long run marginal cost (**LRMC**) of providing the service to retail customers assigned to that class, with the method of calculating such costs, and the manner in which that method is applied to be determined having regard to:

1. the costs and benefits associated with calculating, implementing and applying the method;
2. the additional costs likely to be associated with meeting (incremental) demand from the customers that are assigned to the tariff at times of greatest utilisation for the relevant part of the distribution network; and
3. the location of customers that are assigned to that tariff and the extent to which costs vary between different locations.

Section C.2 Calculating what cost reflectivity looks like of our TSS[15] sets out our approach to estimating LRMC using the average incremental cost method.

Table 12 sets out the LRMC estimates using the methodology in our TSS[15].

Table 12 Estimated long run marginal costs

Network tariff class	Network tariff	Long run marginal cost ($/kW)
		2019-20
High Voltage	Business High Voltage kVA Specified Demand (TASSDM)	89
	Business High Voltage kVA Specified Demand >2MVA (TAS15)	104
Individual Tariff Calculation	Individual Tariff Calculation (TASCUS)	104
Irrigation	Irrigation Low Voltage Time of Use (TAS75)	111
Large Low Voltage	Business Low Voltage kVA Demand (TAS82)	80
	Large Low Voltage Commercial Time of Use Demand (TAS89)	80

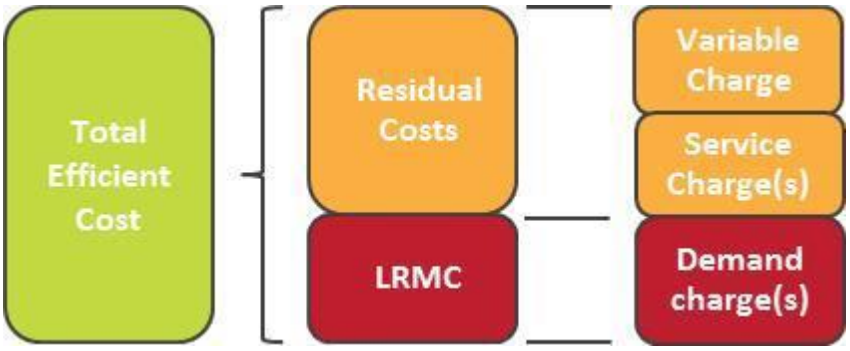
[15] TasNetworks, Revised Tariff Structure Statement 2019-2024 Final – April 2019

Network tariff class	Network tariff	Long run marginal cost ($/kW)
		2019-20
Small Low Voltage	Low Voltage Commercial Time of Use Demand (TAS88)	107
	Business low voltage Distributed Energy Resources (TAS98)	107
	Business Low Voltage General (TAS22)	134
	Business Low Voltage Time of Use (TAS94)	107
Residential	Residential Time of Use Demand Tariff (TAS87)	140
	Residential low voltage Distributed Energy Resources (TAS97)	140
	Residential Low Voltage General (TAS31)	140
	Residential Low Voltage PAYG (TAS101)	140
	Residential Low Voltage PAYG Time of Use (TAS92)	140
	Residential Low Voltage Time of Use (TAS93)	140
Uncontrolled Energy	Uncontrolled Low Voltage Heating (TAS41)	97
Controlled Energy	Controlled Low Voltage Energy – Off Peak with afternoon boost (TAS61)	105
	Controlled Low Voltage Energy – Night period only (TAS63)	105
Unmetered	Unmetered Supply Low Voltage General (TASUMS)	137
Street Lighting	Unmetered Supply Low Voltage Public Lighting (TASUMSSL)	137

TasNetworks has determined the costs to be recovered from a tariff class, and designed the charging parameters within a network tariff, in order to reflect long term cost and provide effective price signals to customers. Our network tariffs and charging parameters are designed to recover amounts from tariff classes which are reflective of the costs of providing services to these customers, and send pricing signals to customers through the selection of appropriate charging parameters.

TasNetworks has designed its network tariffs to contain a combination of charging parameters in order to reflect LRMC and recover the total allowable revenue:

- where appropriate, a specified demand charge may take into account the long term demand peak and can provide effective pricing signals to customers of excessive load;
- an any-time demand charge is used to take into account short term peaks in demand;
- time of use demand charge can provide effective pricing signal for short term peaks in demand in peak and off-peak periods;
- energy charges are used where appropriate; and
- fixed charges are used to ensure the remaining costs including the costs associated with connection assets are recovered.



4.6 Total efficient cost

Clause 6.18.5(g) of the Rules requires that each tariff must reflect the Distribution Network Service Provider's total efficient cost of serving the retail customers that are assigned to that tariff. Our Total Efficient Costs (**TEC**) methodology is included as an attachment to this pricing proposal (PP001). Using this methodology we have estimated the revenue that needed to be recovered from each tariff class by determining the proportion of our revenue allowance that is attributable to each network tariff class and each network tariff.

Network tariffs have been set to transition to the TEC levels over the medium to longer term. The transitional path has been selected to reduce the potential for price shocks to customers.

4.7 Impact on retail customers

Clause 6.18.5(h) of the Rules require us to consider the impact on retail customers. Our TSS[16] outlines the network tariff reforms we are implementing. Our reforms and impacts on customers are discussed in the TSS[16] in Section 4 and Appendix C: Engaging customers in our pricing plan and tariff designs, and further in section 7 (for standard control services) and section 11 (for alternative control services) of this document.

[16] TasNetworks, Revised Tariff Structure Statement 2019-2024 – Explanatory Statement Final – April 2019

5 Standard control services – pricing proposal requirements

'Standard control' refers to an approach taken by the AER to the regulation of prices which involves setting a cap on the amount of revenue that we are permitted to recover, rather than actually setting prices. The AER classifies the generic distribution network services which are relied on by all customers, including connections to our distribution network, as standard control services.

5.1 Total revenue allowance

The annual revenue allowance which applies to our standard control services is recovered through general network charges (via network tariffs). Most of our revenue is earned through network tariffs and the amount of that revenue each year is capped by the AER. Retailers use our network tariffs as an input to their customers' electricity bills.

5.2 Setting the 2019-20 network tariffs

This section provides an overview of how the total allowable revenue for standard control services is to be recovered through TasNetworks' network tariffs.

5.2.1 Total allowable revenue and revenue cap

The 2019-20 network tariffs and charging parameters set out in this Annual Distribution Pricing Proposal are based on the Total Allowable Revenue (**TAR**) set by the AER in its distribution determination for TasNetworks[17], plus any AER approved adjustments from prior periods (the **Revenue Cap**).

TasNetworks' TAR is calculated in accordance with the following formula, which was prescribed by the AER in its distribution determination for TasNetworks:

Table 13 Revenue cap formula

Revenue cap formula		
1	$TAR_t \geq \sum_{i=1}^{n}\sum_{j=1}^{m} p_t^{ij} q_t^{ij}$	i = 1,…,n and j = 1,…,m and t = 1, 2….,5
2	$TAR_t = AAR_t + I_t + B_t + C_t$	t = 1, 2,…,5
3	$AAR_t = AR_t x(1 + S_t)$	t = 1
4	$AAR_t = AAR_{t-1} x(1 + \Delta CPI_t)(1 - X_t)(1 + S_t)$	t = 2,…,5

Where:

TAR_t is the total allowable revenue in year t.
p^{ij}_t is the price of component 'j' of tariff 'i' in year t.
q^{ij}_t is the forecast quantity of component 'j' of tariff 'i' in year t.
AR_t is the annual smoothed revenue requirement in the Post Tax Revenue Model (**PTRM**) for year t.
AAR_t is the adjusted annual smoothed revenue requirement for year t.

[17] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

I_t is the sum of demand management incentive scheme and innovation allowance adjustments in year t relating to:

- the final carryover amount from the application of the demand management incentive scheme (**DMIA**) from the 2017–19 distribution determination. This amount will be deducted from/added to allowed revenue in the 2020–21 pricing proposal.
- approved demand management incentive scheme amounts for year t-2.

B_t is the sum of the following annual adjustment factors for year t:

- true-up for any under of over recovery of actual revenue collected through DUoS charges calculated using the following method:

Table 14 Under or Over Recovery of DUoS Charges

Under or Over Recovery of DUoS Charge
$DUoS\ Under\ and\ Overs\ True - Up_t = -\ (Opening\ Balance_t)\ (1+ WACC_t)^{0.5}$

Where:

DUoS Under and Overs True – Up_t is the true-up for the balance of the DUoS unders and overs account in year t.

Opening $Balance_t$ is the opening balance of the DUoS unders and overs account in year t as calculated by the method in appendix A[18].

$WACC_t$ is the approved weighted average cost of capital used in regulatory year t in the DUoS under and overs account in Appendix A[18].

- any under or over recovery of the Electrical Safety Inspection Service charge, calculated using the following method:

Table 15 Electrical Safety Inspection Service Charge

Electrical Safety Inspection Service Charge
$ESISC_t = (ESISCa_{t-1} - ESISCe_{t-1})\ x\ (1 + Nominal\ vanilla\ WACC_t)$

where:

$ESISCa_{t-1}$ is the actual Electrical Safety Inspection Service charge for year t–1.

$ESISCe_{t-1}$ is the estimated Electrical Safety Inspection Service charge for year t–1 as determined by the AER.

Nominal vanilla $WACC_t$ is the approved nominal weighted average cost of capital (**WACC**) for the relevant regulatory year using the following method:

Table 16 Nominal vanilla WACC

Nominal vanilla $WACC_t$
$Nominal\ vanilla\ WACC_t = ((1 + real\ vanilla\ WACC_t)\ x\ (1+\Delta CPI_t)) - 1$

where the *real vanilla $WACC_t$* is as set out in our final decision PTRM and updated annually.

[18] Final Decision, TasNetworks distribution determination 2019-24, Attachment 13 – Control Mechanisms – April 2019.

- any under or over recovery of the National Energy Market charge, calculated used the following method:

Table 17 National Energy Market Charge

National Energy Market Charge
$NEMC_t = (NEMCa_{t-1} – NEMCe_{t-1}) \times (1 + Nominal\ vanilla\ WACC_t)$

where:

***NEMCa*$_{t-1}$** is the actual National Energy Market charge for year t–1.

***NEMCe*$_{t-1}$** is the estimated National Energy Market charge for year t–1 as determined by the AER.

***Nominal vanilla WACC*$_t$** is the approved nominal weighted average cost of capital (**WACC**) for the relevant regulatory year as calculated above.

C_t is the sum of approved cost pass through amounts (positive or negative) with respect to regulatory year t, as determined by the AER. It will also include any end-of-period adjustments in year t.

ΔCPI_t is the annual percentage change in the ABS CPI All Groups, Weighted Average of Eight Capital Cities from the December quarter in year t–2 to the December quarter in year t–1.

X_t is the X factor for each year of the 2019-24 regulatory control period as determined by the AER in the PTRM, and annually revised by the AER.

S_t is the s-factor for regulatory year t. It will also incorporate any adjustments required due to the application of the service target performance incentive scheme (**STPIS**) in the 2019–24 regulatory control period consistent with the AER's STPIS.

Table 18 provides details of the Revenue Cap calculation that TasNetworks has utilised in the preparation of its network tariffs.

Table 18 Total allowable revenue

Criteria	2019-20 value ($m)
AR_t	235.361
S_t	1.676
$AAR_t = AR \times (1 + S_t)$	237.037
I_t	0.000
B_t	(0.656)
C_t	0.000
$TAR_t = AAR_t + I_t + B_t + C_t$	236.381

5.2.2 Tariff development

The first stage of the network tariff development process is to allocate or assign network costs to the supply categories and, ultimately, the customer classes that utilise those assets, in an efficient and cost reflective way. TasNetworks allocates costs to customer classes and tariff classes using its Total Efficient Cost (**TEC**) model. This modelling process is explained in the paper 'TEC Methodology 2019-20' provided as an attachment to this Annual Distribution Pricing Proposal.

5.2.3 Energy consumption, demand and customer forecasts

TasNetworks has prepared forecasts for demand, energy consumption and customer numbers as a component of its network tariff development modelling.

5.2.3.1 Energy consumption

TasNetworks' consumption forecasting takes into account recent consumption trends and forecast growth within each customer class. Recent years have seen a stabilisation in consumption. As a result, the energy consumption forecasts which underpin this Annual Distribution Pricing Proposal anticipate an increase in consumption, bringing the forecast in line with recent trends.

The 2018-19 energy consumption forecast is for a total consumption of 4,238 GWh. This forecast is 1.0 per cent higher than TasNetworks' forecast for its 2018-19 Annual Distribution Pricing Proposal.

5.2.3.2 Demand

The demand forecasts prepared by TasNetworks as part of its Annual Planning Report (**APR**) are not the same as the forecasts used by TasNetworks when developing network tariffs. This is because the APR draws on coincident maximum demand (system maximum demand, inclusive of transmission customer demand), whereas the setting of network tariffs is informed by any-time maximum demand (**ATMD**) on the distribution network only. The sum of ATMD will not equal the system maximum demand, as the individual demands within the ATMD do not all occur at the same time as the system maximum demand.

TasNetworks has also assumed that the largest customers that have charges based on a specified demand will set that specified demand such that they will minimise excess demand charges.

5.2.3.3 Customers

The forecasts of customer numbers developed for this Annual Distribution Pricing Proposal have been prepared on a tariff-by-tariff basis. As some of TasNetworks' customers may be supplied under multiple network tariffs, the aggregate number of 'customers' used to develop TasNetworks' pricing will be greater than the number of customers that are actually connected to the distribution network.

5.3 DUoS unders and overs

As a requirement of its distribution determination for TasNetworks[19], the AER requires us to provide a DUoS unders and overs account for the most recently completed regulatory year.

Attachment PP007 to this Annual Distribution Pricing Proposal outlines the DUoS unders and overs calculation and provides separate identification of any under or over recovery relating to prior years included in the current year revenue.

[19] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

5.4 Side constraints

Clause 6.18.6(b) of the Rules requires that, within a given regulatory control period, the revenue raised from a particular tariff class through tariffs applying to standard control services must not increase from year to year by more than the permissible percentages set out in the Rules. This limitation on tariffs and the revenue they can recover is referred to as a side constraint.

In accordance with the AER's distribution determination[20], the following formula is to be used to determine side constraints for each tariff class:

$$\frac{(\sum_{i=1}^{n}\sum_{j=1}^{m} d_t^{ij} q_t^{ij})}{(\sum_{i=1}^{n}\sum_{j=1}^{m} d_{t-1}^{ij} q_t^{ij})} \leq (1+\Delta CPI_t)\times(1-X_t)\times(1+2\%)\times(1+S_t)+I_t^{'}+B_t^{'}+C_t^{'}$$

where each tariff class "n", with each up to "m" components, and where:

d_t^{ij} is the proposed price for component 'j' of tariff 'i' for year t.

d_{t-1}^{ij} is the price charged for component 'j' of tariff 'i' year t–1.

q_t^{ij} is the forecast quantity of component 'j' of the tariff class in year t.

ΔCPI_t is the annual percentage change in the ABS CPI All Groups, Weighted Average of Eight Capital Cities from the December quarter in year t-2 to the December quarter in year t-1.

X_t is the X factor for each year of the 2017-19 regulatory control period as determined in the PTRM and annually revised for the return on debt update. If X>0, then X will be set equal to zero for the purposes of the side constraint formula.

S_t is the S-factor for regulatory year t. It will also incorporate any adjustments required due to the application of the STPIS in the 2019–24 regulatory control period consistent with the AER's STPIS.

I_t' is the annual percentage change from the sum of demand management incentive schemes and allowance adjustments in year t relating to:

- the final carryover amount from the application of the old demand management innovation allowance (DMIA/DMIAM) from the 2017–19 distribution determination. This amount will be deduced from/added to allowed revenue in the 2020.21 pricing proposal.
- approved demand management incentive scheme amounts from year t-2.

B_t' is the annual percentage change from the sum of the following annual adjustment factors for year t:

- True-up for any under or over recovery of actual revenue collected through DUoS charges calculated using the method in Table 14.
- Electrical Safety Inspection Service charge, calculated using the method in Table 15.
- Any under or over recovery of the National Energy Market charge, calculated using the method in Table 17.

C_t' is the annual percentage change from the sum of approved cost pass through amount (positive or negative) with respect to regulatory year t, as determined by the AER.

[20] Final Decision, TasNetworks distribution determination 2019-24, Attachment 13 – Control Mechanisms – April 2019.

With the exception of the CPI, X-factor and S-factor, the percentage for each of the other factors above can be calculated by dividing the incremental revenues (as used in the total annual revenue formula) for each factor by the expected revenues for regulatory year t–1 (based on the prices in year t–1 multiplied by the forecast quantities for year t).

For TasNetworks the 2019-20 regulatory year is the first year in the regulatory period, in accordance with clause 6.18.6(b) of the Rules, the side constraint formula does not apply for the 2019-20 year.

5.4.1 Weighted average revenue

Clause 6.18.2(b)(4) of the Rules require TasNetworks to set out for each tariff class related to standard control services, the expected weighted average revenue for the relevant regulatory year and also for the current regulatory year.

Table 19 sets out the expected weighted average of revenue for 2018-19 and 2019-20.

Table 19 Weighted average revenue

Tariff class	**Weighted average revenue 2018-19** ($m)	**Anticipated revenue 2019-20** ($m)	**Change** (%)
ITC	4.646	5.448	17.3%
High Voltage	11.636	11.381	(2.2%)
Irrigation	7.526	7.552	0.4%
Large Low Voltage	28.910	28.710	(0.7%)
Small Low Voltage	69.834	68.768	(1.5%)
Residential	133.698	130.160	(2.6%)
Uncontrolled Energy	54.612	55.557	1.7%
Controlled Energy	1.615	1.623	0.5%
Unmetered	1.532	1.527	(0.3%)
Street Lighting	1.736	1.720	(0.9%)

5.5 2019-20 pricing and indicative prices provided in the TSS

Our TSS[21] outlines the assumptions we used to forecast indicative network use of system (**NUoS**) prices. These assumptions have changed from our TSS[21] to our actual proposed 2019-20 NUoS prices. The differences between our indicative 2019-20 NUoS prices and our pricing proposal prices are predominately driven by changes to total allowable revenue (as identified in Table 20) including:

- a lower maximum allowed revenue;
- confirmation of the s-factor outcome; and
- previous years over-recoveries (for both DUoS and TUoS).

[21] TasNetworks, Revised Tariff Structure Statement 2019-2024 Final – April 2019
TasNetworks, Revised Tariff Structure Statement 2019-2024 – Explanatory Statement Final – April 2019

Table 20 Changes in assumptions for indicative pricing to pricing proposal

Assumptions	TSS ($m)	Pricing Proposal ($m)	Variance ($m)
Annual Smoothed Revenue	249.993	235.361	(14.632)
ΔCPI_t	0.000	0.000	0.000
X_t	0.000	0.000	0.000
S-Factor	0.000	1.676	1.676
I-Factor	0.000	0.000	0.000
B-Factor	0.000	(0.656)	(0.656)
C-Factor	0.000	0.000	0.000
Charges paid to TNSP	80.481	80.519	0.038
TUOS Unders and overs amount	0.000	(3.508)	(3.508)

In addition, refinements to our demand and consumption forecasts for 2019-20 have flowed through to NUoS prices.

In 2018-19 we began offering two new demand-based time of use tariffs designed for residential and small business customers that deploy distributed energy technologies, such as solar panels and battery storage, which are opt-in only.

Initially, both tariffs are offered on a discounted basis (50 per cent reduction to the off-peak rate), to provide economically-justified incentives to encourage take-up of the new tariffs on an opt-in basis. We are applying the same discounting arrangements to the time of use demand based tariffs introduced in 2017 to further incentivise their uptake as well. With the goal of cost reflectivity in mind, the discounts will be offered on a transitional basis only and will decline progressively over the course of the 2019-24 regulatory control period, to the point that no discount will be offered from 1 July 2024.

We are funding the discount cost directly (estimated to be $0.073 million in 2019-20), so the cost of the discount will not be passed onto other customers.

Further information on these tariffs is included in section 5.7.

We are constantly refining our tariffs with increased data we are gaining access to. We recently undertook a network tariff trial to support our tariff strategy development and implementation. During the trial we engaged with customers, rolled out advanced meters and started collecting data. This data is allowing us to further refine out tariffs and, as a result, we have made adjustments to our tariffs for Residential time of use demand (TAS87), Residential low voltage pay as you go time of use (TAS92), Residential low voltage time of use (TAS93), and Residential low voltage pay as you go (TAS101).

5.6 National Electricity Rules and applicable regulatory instruments

Clause 6.18.5(j) of the Rules requires that a tariff must comply with the Rules and all applicable regulatory instruments. Our existing tariff comply with this principle, and our new DER tariffs have been designed for compliance as explained in Appendix C (see C.3 Designing our new tariffs) of our TSS[22].

[22] TasNetworks, Revised Tariff Structure Statement 2019-2024 Final – April 2019

5.7 Sub-threshold tariffs

Clause 6.18.1C(a) of the rules require that no later than four months before the start of a regulatory year, a DNSP may notify the AER, affected retailers and affected retail customers of a new proposed tariff (a relevant tariff) that is determined otherwise than in accordance with the DNSP's current TSS.

Included in our TSS (2019-2024), we are introducing two new demand based time of use tariffs to give households and small businesses who invest in distributed energy resources (DER) new opportunities to control their electricity costs. These new tariffs were introduced in 2018-19 commencing from 1 December 2018. As such, there are no new proposed tariffs for this regulatory year.

6 Transmission charges

6.1 TUoS expenses

6.1.1 Transmission charges

Transmission charges are considered as a direct pass-through, with variations in transmission charges being passed through to all installations on a pro-rata basis through network tariffs.

TasNetworks' distribution network is connected to the transmission network at multiple connection points within Tasmania, as are a number of other customers. As the operator of the transmission network, TasNetworks recovers its allowable revenue through the transmission charges levied on the distribution network, as well as the other customers connected directly to the transmission network.

The transmission charges imposed on TasNetworks' distribution network form the basis of the TUoS charges embedded within the network tariffs TasNetworks charges customers connected to the distribution network.

6.1.2 Standard transmission charges

A number of customers, or groups of customers, may have specially calculated network tariffs. As part of these network tariffs there will be a pass-through of the transmission charges arising from each customer's share of the load on the transmission system. These nodal connection charges are based upon demand, and vary according to the terminal substation to which the customer is connected.

6.1.3 Avoided TUoS

The Rules require TasNetworks to pay avoided TUoS usage charges (**avoided TUoS**) to embedded generators who have generated electricity and transmitted this energy into TasNetworks' distribution network, thereby reducing TasNetworks' need to import energy from the transmission network and avoiding some TUoS charges.

In accordance with the Rules, where prices for the locational component of prescribed TUoS services were in force at the relevant transmission network connection point throughout the relevant financial year, TasNetworks shall:

(a) determine the charges for the locational component of prescribed TUoS services that would have been payable by TasNetworks had the embedded generator not injected any energy at its connection point during that financial year;

(b) determine the amount by which the charges calculated in (a) exceed the amount for the locational component of prescribed TUoS services actually payable by TasNetworks; and

(c) credit the value from (b) to the embedded generator.

Avoided TUoS payments to embedded generators reflect the avoided costs of upstream transmission network reinforcement within Tasmania. As such, the benefits primarily relate to all customers – that is, avoided TUoS does not solely impact on the connection point to which an embedded generator is connected. Avoided TUoS has, therefore, been assigned to all tariff classes.

6.2 TUoS receipts

6.3 Tariff recovery of TUoS

A description of how TUoS is recovered through TasNetworks' standard control network tariffs is given in section 3.3.2.

6.4 Designated pricing proposal charges unders and overs account

Clause 6.18.2(b)(6) of the Rules requires us to provide a designated pricing proposal charges (**DPPC**) unders and overs account for the most recently completed regulatory year. Attachment PP007 to this Annual Distribution Pricing Proposal outlines the unders and overs calculation and provides separate identification of any under or over recovery relating to prior years included in the current year revenue.

7 Standard control services – customer price impacts

7.1 Price movements in 2019-20

TasNetworks' tariff strategy recognises the changing expectations of customers and the upward pressure exerted on energy prices in recent years. As a business TasNetworks is committed to achieving a commercial outcome that strikes a balance between meeting the requirements of customers and managing sustainability and risk.

Table 21 provides the difference in the charges between 2018-19 and 2019-20 for each network tariff component.

Table 21 Network tariff classes – percentage price change

Network tariff class	Network tariff	Network tariff component	Charge 2018-19 (cents)	Charge 2019-20 (cents)	Change (%)
High Voltage	TAS15	Service charge	2,633.000	2,751.500	4.5%
		Peak energy	0.943	0.932	(1.2%)
		Shoulder energy	0.566	0.560	(1.1%)
		Off-peak energy	0.141	0.140	(0.7%)
		Specified demand	8.638	8.751	1.3%
		Excess demand	43.191	43.759	1.3%
		Connection specified demand	0.314	0.318	1.3%
		Excess connection specified demand	1.568	1.591	1.5%
	TASSDM	Service charge	320.754	335.188	4.5%
		Peak energy	1.311	1.270	(3.1%)
		Shoulder energy	0.789	0.761	(3.5%)
		Off-peak energy	0.197	0.190	(3.6%)
		Specified demand	18.478	18.543	0.4%
		Excess demand	184.780	185.449	0.4%
Irrigation	TAS75	Service charge	237.692	244.823	3.0%
		Peak energy	9.910	9.784	(1.3%)
		Shoulder energy	5.946	5.868	(1.3%)
		Off-peak energy	1.487	1.467	(1.3%)
Large Low Voltage	TAS82	Service charge	317.685	331.981	4.5%
		Energy charge	2.392	2.362	(1.3%)
		Demand charge	32.824	32.742	(0.2%)
	TAS89	Service charge	447.529	467.668	4.5%
		Peak demand	44.459	43.767	(1.6%)
		Off-peak demand	14.805	14.574	(1.6%)

Network tariff class	Network tariff	Network tariff component	Charge 2018-19 (cents)	Charge 2019-20 (cents)	Change (%)
Small Low Voltage	TAS22	Service charge	49.381	50.862	3.0%
		Energy charge	9.635	9.443	(2.0%)
	TAS88	Service charge	71.839	73.994	3.0%
		Peak demand	53.802	57.804	7.4%
		Off-peak demand	8.958[23]	9.319	4.0%
	TAS94	Service charge	64.953	66.902	3.0%
		Peak energy	10.234	10.121	(1.1%)
		Shoulder energy	6.141	6.073	(1.1%)
		Off-peak energy	1.536	1.518	(1.2%)
	TAS98	Service charge	71.839	73.994	3.0%
		Peak demand	57.729	57.804	0.1%
		Off-peak demand	9.612[23]	9.319	(3.0%)
Residential	TAS31	Service charge	49.663	51.153	3.0%
		Energy charge	9.726	9.167	(5.7%)
	TAS101	Service charge	50.069	51.571	3.0%
		Energy charge	7.773	7.602	(2.2%)
	TAS87	Service charge	55.245	56.902	3.0%
		Peak demand	25.452	27.521	8.1%
		Off-peak demand	4.238[23]	4.369	3.1%
	TAS93 / TAS92	Service charge	54.294	55.923	3.0%
		Peak energy	16.485	15.864	(3.8%)
		Off-peak energy	2.968	2.936	(1.1%)
	TAS97	Service charge	55.245	56.902	3.0%
		Peak demand	28.135	27.521	(2.2%)
		Off-peak demand	4.685[23]	4.369	(6.7%)
Uncontrolled Energy	TAS41	Service charge	6.137	6.321	3.0%
		Energy charge	5.454	5.542	1.6%
Controlled Energy	TAS61	Service charge	11.693	12.044	3.0%
		Energy charge	1.687	1.645	(2.5%)
	TAS63	Service charge	11.693	12.044	3.0%
		Energy charge	1.461	1.424	(2.5%)

23 Includes 50 per cent incentive applicable from 1 December 2018.

Network tariff class	Network tariff	Network tariff component	Charge 2018-19 (cents)	Charge 2019-20 (cents)	Change (%)
Unmetered	TASUMS	Service charge	49.381	50.862	3.0%
		Energy charge	11.426	11.159	(2.3%)
Street Lighting	TASUMSSL	Demand charge	0.109	0.108	(0.9%)

Table 22 provides the difference in the charges between 2018-19 and 2019-20 for each ITC[24] network tariff component.

Table 22 ITC tariffs – percentage price change

Network tariff class	NMI / Tariff	Network tariff component	DUoS charge 2018-19 (cents)	DUoS charge 2019-20 (cents)	Change (%)
Individual Tariff Calculation	Individual Tariff Calculation	Service charge	[redacted]		
		Specified connection			
		Excess connection			
	Individual Tariff Calculation	Service charge			
		Energy charge			
		Specified connection			
		Excess connection			
		Specified demand			
		Excess demand			
	Individual Tariff Calculation	Service charge			
		Energy charge			
		Specified connection			
		Excess connection			
		Specified demand			
		Excess demand			
	Individual Tariff Calculation	Service charge			
		Energy charge			
		Specified connection			
		Excess connection			
		Specified demand			
		Excess demand			

[24] ITC network tariff rates are confidential.

Network tariff class	NMI / Tariff	Network tariff component	DUoS charge 2018-19 (cents)	DUoS charge 2019-20 (cents)	Change (%)
Individual Tariff Calculation	Individual Tariff Calculation	Service charge	[redacted]		
		Energy charge			
		Specified connection			
		Excess connection			
		Specified demand			
		Excess demand			
	Individual Tariff Calculation	Service charge			
		Peak energy			
		Shoulder energy			
		Off-peak energy			
		Specified connection			
		Excess connection			
		Specified demand			
		Excess demand			
	Individual Tariff Calculation	Service charge			
		Peak energy			
		Shoulder energy			
		Off-peak energy			
		Specified demand			
		Excess demand			
	Individual Tariff Calculation	Service charge			
		Peak energy			
		Shoulder energy			
		Off-peak energy			
		Specified demand			
		Excess demand			
Individual Tariff Calculation	Individual Tariff Calculation	Service charge			
		Peak energy			
		Shoulder energy			
		Off-peak energy			
		Specified connection			
		Excess connection			
		Specified demand			
		Excess demand			
	Individual	Service charge			

Network tariff class	NMI / Tariff	Network tariff component	DUoS charge 2018-19 (cents)	DUoS charge 2019-20 (cents)	Change (%)
	Tariff Calculation	Peak energy	[redacted]		
		Shoulder energy			
		Off-peak energy			
		Specified connection			
		Excess connection			
		Specified demand			
		Excess demand			
High Voltage	TAS15	Service charge	2,633.000	2,751.500	4.5%
		Peak energy	0.943	0.932	(1.2%)
		Shoulder energy	0.566	0.560	(1.1%)
		Off-peak energy	0.141	0.140	(0.7%)
		Specified demand	8.638	8.751	1.3%
		Excess demand	43.191	43.759	1.3%
		Specified connection	0.314	0.318	1.3%
		Excess connection	1.568	1.591	1.5%

Table 23 provides the difference in the charges between 2018-19 and 2019-20 for each locational TUoS charge.

Table 23 Locational TUoS charges – percentage price change

Transmission node description	Transmission node identifier	TUoS charge 2018-19 (c/kVA/day)	TUoS charge 2019-20 (c/kVA/day)	Change (%)
Arthurs Lake	TAL2	17.451	17.890	2.5%
Avoca	TAV2	21.513	16.429	(23.6%)
Burnie	TBU3	15.347	14.122	(8.0%)
Bridgewater	TBW2	16.738	16.034	(4.2%)
Derwent Bridge	TDB2	185.741	171.650	(7.6%)
Derby	TDE2	36.957	37.635	1.8%
Devonport	TDP2	17.926	16.480	(8.1%)
Emu Bay	TEB2	21.118	19.139	(9.4%)
Electrona	TEL2	20.332	22.140	8.9%
Huon River	THR2	89.381	81.303	(9.0%)
Kermandie	TKE2	34.270	31.278	(8.7%)
Kingston 11kV	TKI2	17.896	16.431	(8.2%)
Kingston 33kV	TKI3	19.396	19.941	2.8%
Knights Road	TKR2	23.038	21.177	(8.1%)

Transmission node description	Transmission node identifier	TUoS charge 2018-19 (c/kVA/day)	TUoS charge 2019-20 (c/kVA/day)	Change (%)
Meadowbank	TMB2	15.998	13.756	(14.0%)
New Norfolk	TNN2	18.836	17.114	(9.1%)
Newton	TNT2	44.204	39.231	(11.3%)
Port Latta	TPL2	18.405	18.763	1.9%
Palmerston	TPM3	16.976	19.028	12.1%
Queenstown	TQT2	29.997	27.642	(7.9%)
Railton	TRA2	17.297	15.530	(10.2%)
Rosebery	TRB2	15.737	13.898	(11.7%)
Scottsdale	TSD2	38.753	34.511	(10.9%)
St Marys	TSM2	25.422	23.911	(5.9%)
Sorell	TSO2	21.672	19.992	(7.8%)
Savage River	TSR2	12.004	17.105	42.5%
Smithton	TST2	24.295	21.575	(11.2%)
Triabunna	TTB2	29.715	28.746	(3.3%)
Tungatinah	TTU2	62.284	57.326	(8.0%)
Ulverstone	TUL2	17.069	15.321	(10.2%)
Waddamana	TWA2	36.008	35.300	(2.0%)
Wesley Vale	TWV2	9.648	8.954	(7.2%)
Hobart Virtual	TVN1	17.194	15.545	(9.6%)
Tamar Virtual	TVN2	15.121	13.648	(9.7%)

8 Standard control services pricing

The proposed DUoS charges for each of TasNetworks' network tariffs in 2019-20 are outlined in Table 24.

The proposed DUoS charges for each of TasNetworks' 2019-20 individual tariff calculation[25] customers and business high voltage kVA specified demand (> 2 MVA) network tariffs are outlined in Table 25.

The proposed TUoS charges for each of TasNetworks' 2019-20 network tariffs are outlined in Table 26.

The proposed TUoS charges for each of TasNetworks' 2019-20 individual tariff calculation[26] and business high voltage kVA specified demand (> 2 MVA) network tariffs are outlined in Table 27.

The proposed locational TUoS charges that are applicable to TasNetworks' 2019-20 ITC and business high voltage kVA specified demand (> 2 MVA) network tariffs are outlined in Table 28.

[25] ITC network tariff rates are confidential.

[26] ITC network tariff rates are confidential.

Table 24 DUoS charges – standard control services

Distribution Use of System rates											
Network tariff description	**Network tariff code**	**Daily charge c/day**	**ToU energy rate c/kWh**			**Consumption Charge**	**Demand rates c/kVA, kW, lamp watt/day**			**Capacity charges c/kVA/day**	
			Peak	**Shoulder**	**Off-peak**	**c/kWh**	**Day**	**Peak**	**Off-peak**	**Specified**	**Excess**
Business high voltage kVA specified demand	TASSDM	335.188	0.305	0.183	0.045					15.087	150.875
Business high voltage kVA specified demand (> 2MVA)	TAS15	2,751.500	0.932	0.560	0.140					9.069	45.350
Irrigation low voltage time of use	TAS75	244.823	6.748	4.049	1.012						
Business low voltage kVA demand	TAS82	331.981				1.728	19.489				
Business low voltage time of use kVA demand large	TAS89	467.668						25.467	8.481		
Business low voltage general	TAS22	50.862				7.230					
Business low voltage time of use	TAS94	66.902	7.489	4.494	1.123						
Business low voltage distributed energy resources	TAS98	73.994						44.768	7.275		
Business low voltage time of use kW demand	TAS88	73.994						44.768	7.275		
Residential low voltage general	TAS31	51.153				6.954					
Residential low voltage pay as you go time of use	TAS92	55.923	11.684		2.162						
Residential low voltage pay as you go	TAS101	51.571				6.033					
Residential low voltage time of use	TAS93	55.923	11.684		2.162						
Residential low voltage distributed energy resources	TAS97	56.902						21.728	3.460		

Distribution Use of System rates											
Network tariff description	**Network tariff code**	**Daily charge c/day**	**ToU energy rate c/kWh**			**Consumption Charge**	**Demand rates c/kVA, kW, lamp watt/day**			**Capacity charges c/kVA/day**	
			Peak	**Shoulder**	**Off-peak**	**c/kWh**	**Day**	**Peak**	**Off-peak**	**Specified**	**Excess**
Residential time of use kW demand	TAS87	56.902						21.728	3.460		
Uncontrolled low voltage heating	TAS41	6.321				3.329					
Controlled low voltage energy off-peak with afternoon boost	TAS61	12.044				1.029					
Controlled low voltage energy with night period only	TAS63	12.044				0.931					
Unmetered supply low voltage general	TASUMS	50.862				8.065					
Unmetered supply low voltage public lighting (C/lamp watt/day	TASUMSSL					0.081					

Table 25 DUoS charges – standard control services (ITC customers)[27]

Distribution Use of System rates										
Tariff description	**Network Tariff code**	**Daily charge $/day**	**Energy rate c/kWh**				**Connection charge c/kVA/day**		**Capacity charges c/kVA/day**	
			Peak	**Shoulder**	**Off-peak**	**All energy**	**Specified**	**Excess**	**Specified**	**Excess**
Individual tariff calculation	TASCUS1	[redacted]								
Individual tariff calculation	TASCUS1									
Individual tariff calculation	TASCUS1									
Individual tariff calculation	TASCUS1									
Individual tariff calculation	TASCUS1									
Individual tariff calculation	TASCUS1									
Individual tariff calculation	TASCUS1									
Individual tariff calculation	TASCUS1									

[27] ITC network tariff rates are confidential.

Table 26 TUoS charges – standard control services

Transmission Use of System rates											
Network tariff description	Network tariff code	Daily charge c/day	ToU energy rate c/kWh			Consumption charge	Demand rates c/kVA, kW, lamp watt/day			Capacity charges c/kVA/day	
			Peak	Shoulder	Off-peak	c/kWh	Day	Peak	Off-peak	Specified	Excess
Business high voltage kVA specified demand	TASSDM		0.965	0.578	0.145					3.456	34.574
Business high voltage kVA specified demand (> 2MVA)	TAS15									Locational	Locational
Irrigation low voltage time of use	TAS75		3.036	1.819	0.455						
Business low voltage kVA demand	TAS82					0.634	13.253				
Business low voltage time of use kVA demand large	TAS89							18.300	6.093		
Business low voltage general	TAS22					2.213					
Business low voltage time of use	TAS94		2.632	1.579	0.395						
Business low voltage distributed energy resources	TAS98							13.036	2.044		
Business low voltage time of use kW demand	TAS88							13.036	2.044		
Residential low voltage general	TAS31					2.213					
Residential low voltage pay as you go time of use	TAS92		4.180		0.774						
Residential low voltage pay as you go	TAS101					1.569					
Residential low voltage time of use	TAS93		4.180		0.774						
Residential low voltage distributed energy resources	TAS97							5.793	0.909		
Residential time of use kW demand	TAS87							5.793	0.909		

Transmission Use of System rates											
Network tariff description	**Network tariff code**	**Daily charge c/day**	**ToU energy rate c/kWh**			**Consumption charge**	**Demand rates c/kVA, kW, lamp watt/day**			**Capacity charges c/kVA/day**	
			Peak	**Shoulder**	**Off-peak**	**c/kWh**	**Day**	**Peak**	**Off-peak**	**Specified**	**Excess**
Uncontrolled low voltage heating	TAS41					2.213					
Controlled low voltage energy off-peak with afternoon boost	TAS61					0.616					
Controlled low voltage energy with night period only	TAS63					0.493					
Unmetered supply low voltage general	TASUMS					3.094					
Unmetered supply low voltage public lighting (c/Lamp watt/day)	TASUMSSL					0.027					

Table 27 TUoS – standard control services (ITC customers)[28]

Transmission Use of System rates										
Tariff description	**Network tariff code**	**Daily charge c/day**	**ToU energy rate c/kWh**			**Step energy rates c/kWh**		**Demand rates c/kVA (kW)/day**	**Capacity charges c/kVA/day**	
			Peak	**Shoulder**	**Off-peak**	**Step 1**	**Remaining**		**Specified**	**Excess**
Individual tariff calculation	TASCUS1								Locational	Locational
Individual tariff calculation	TASCUS1								Locational	Locational
Individual tariff calculation	TASCUS1								Locational	Locational

[28] ITC network tariff rates are confidential.

Table 28 Locational TUoS charges – standard control services

Transmission node description	Transmission node identifier	Daily charge c/kVA/day
Arthurs Lake	TAL2	17.890
Avoca	TAV2	16.429
Burnie	TBU3	14.122
Bridgewater	TBW2	16.034
Derwent Bridge	TDB2	171.650
Derby	TDE2	37.635
Devonport	TDP2	16.480
Emu Bay	TEB2	19.139
Electrona	TEL2	22.140
Huon River	THR2	81.303
Kermandie	TKE2	31.278
Kingston 11KV	TKI2	16.431
Kingston 33KV	TKI3	19.941
Knights Road	TKR2	21.177
Meadowbank	TMB2	13.756
New Norfolk	TNN2	17.114
Newton	TNT2	39.231
Port Latta	TPL2	18.763
Palmerston	TPM3	19.028
Queenstown	TQT2	27.642
Railton	TRA2	15.530
Rosebery	TRB2	13.898
Scottsdale	TSD2	34.511
St Marys	TSM2	23.911
Sorell	TSO2	19.992
Savage River	TSR2	17.105
Smithton	TST2	21.575
Triabunna	TTB2	28.746
Tungatinah	TTU2	57.326
Ulverstone	TUL2	15.321
Waddamana	TWA2	35.300
Wesley Vale	TWV2	8.954
Hobart Virtual	TVN1	15.545
Tamar Virtual	TVN2	13.648

Due to the interconnected nature of the Hobart region, transmission nodes (TCR2, TCS3, TLF2, TMT2, TNH2, TRI4 and TRK2) are averaged as a single Virtual Transmission Node (**VTN**) in accordance with the provisions of the Rules. The Transmission Node Identifier (**TNI**) in Table 29 for this VTN is TVN1.

Table 29 Hobart region virtual transmission node

Transmission node description	Transmission node identifier
Chapel Street	TCS3
Creek Road	TCR2
Lindisfarne	TLF2
Mornington	TMT2
North Hobart	TNH2
Risdon	TRI4
Rokeby	TRK2

Due to the interconnected nature of the Launceston/Tamar region, transmission nodes (TGT3, THA3, TMY2, TNW2, TSL2 and TTR2) are averaged as a single VTN in accordance with the provisions of the Rules. The TNI listed in Table 30 for this VTN is TVN2.

Table 30 Tamar region virtual transmission node

Transmission node description	Transmission node identifier
George Town	TGT3
Hadspen	THA3
Mowbray	TMY2
Norwood	TNW2
St Leonards	TSL2
Trevallyn	TTR2

9 Standard control services – tariff variations

Clause 6.18.2(b)(5) of the Rules requires that TasNetworks' Annual Distribution Pricing Proposal sets out the nature of any variation or adjustment to a tariff that could occur during the course of the regulatory year and the basis on which it could occur.

9.1 Adjustments to tariffs within a regulatory year

9.1.1 ITC network tariffs

Variations or adjustments to network tariffs will only occur where an ITC customer advises TasNetworks that they intend to alter their demand or connection characteristics during 2019-20. In this case, TasNetworks would recalculate the charging parameters of the tariff.

New network tariffs will also be created for any new ITC customer that may connect during 2019-20, in line with the methodology set out in this Annual Distribution Pricing Proposal.

9.1.2 Changes to tariffs by network tariff class

Section 2 of our TSS[29] outlines our tariff strategy for the 2019-24 regulatory period, with Table 31 outlining the key tariff reforms we are continuing to implement by:

Table 31 Networks tariff reforms

Reform
Continuing to progressively reduce cross subsidies between customers and between tariffs;
Embedding the two new demand based time of use (**ToU**) tariffs introduced in TasNetworks' 2018-19 Annual Pricing Proposal (with a start date of 1 December 2018) to give households and small businesses who invest in distributed energy resources (**DER**) new opportunities to control their electricity costs;
Assigning new residential customers, residential customers who change their connection and residential customers whose existing accumulation meter is replaced with an advanced meter to a ToU consumption based network tariff on an opt-out basis; and
Offering 'introductory' discounts for our demand based time of use tariffs for both residential and small business customers, to encourage customer take up of the new tariffs;

Table 32 shows the percentage change of the average DUoS, TUoS and overall NUoS price for each tariff class for 2018-19 to 2019-20

Table 32 Weighted average price movement by Tariff Class

Tariff Class	DUoS price movement (%)	TUoS price movement (%)	NUoS price movement (%)
ITC	69.6%	(2.9%)	17.3%
High Voltage	0.8%	(6.4%)	(2.2%)
Irrigation	1.3%	(3.4%)	0.4%
Large Low Voltage	0.9%	(3.4%)	(0.7%)

[29] TasNetworks, Revised Tariff Structure Statement 2019-2024 – Explanatory Statement Final – April 2019.

Tariff Class	DUoS price movement (%)	TUoS price movement (%)	NUoS price movement (%)
Small Low Voltage	(0.6%)	(4.5%)	(1.5%)
Residential	(2.4%)	(3.8%)	(2.6%)
Uncontrolled Energy	5.3%	(3.9%)	1.7%
Controlled Energy	1.4%	(3.7%)	0.5%
Unmetered	0.4%	(3.8%)	(0.3%)
Street Lighting	(1.2%)	0.0%	(0.9%)

9.2 Variations between the 2018-19 and 2019-20 regulatory years

TasNetworks' total revenue for standard control services has decreased by approximately 2.8 per cent between 2018-19 and 2019-20, while the consumption of electricity by customers of those services is expected to be approximately 1.0 per cent higher.

TasNetworks has adopted the general strategies set out in Table 31 and further explained in our TSS[30]in setting its network tariffs for the for 2019-24 regulatory control period.

9.2.1 Reallocation between fixed and variable costs

In line with our tariff strategy we have increased out fixed service costs in line with our indicative pricing schedule as set out in the TSS[31].

9.2.2 Rebalancing of DUoS and TUoS revenues

TasNetworks has forecast its DUoS and TUoS components to achieve the following outcomes:

- recover the total allowable revenue; and
- the TUoS and DUoS components of that revenue also match the forecast transmission network charges (passed through for recovery via network tariffs) and TasNetworks' Revenue Cap.

[30] TasNetworks, Revised Tariff Structure Statement 2019-2024 Final – April 2019
TasNetworks, Revised Tariff Structure Statement 2019-2024 – Explanatory Statement Final – April 2019

[31] TasNetworks, Revised Tariff Structure Statement 2019-2024 Final– April 2019
TasNetworks, Revised Tariff Structure Statement 2019-2024 – Explanatory Statement Final – April 2019

10 Alternative control services

'Alternative control' denotes a form of pricing control used by the AER which involves the use of price caps, rather than revenue caps, to regulate prices. Services classified as alternative control services are services where the costs – and the associated benefits from the service – can be directly attributed to specific customers.

In its distribution determination for TasNetworks[32] the AER has classified the following categories of direct control services as alternative control services, with the form of control for all services being a price cap:

- metering services;
- public lighting services;
- ancillary service – fee based services; and
- ancillary service – quoted services.

10.1 Metering services

This section sets out the indicative prices for the metering services provided by TasNetworks.

10.1.1 Overview of metering services

Metering services are provided to all customers with Type 5 or Type 6 metering installations and form a component of the charges levied within TasNetworks' network tariffs. These metering charges are additional to those network tariff charges designed for the recovery of standard control services. The charges for metering services include the costs for TasNetworks to read those meters and collect the meter data.

The AER has determined that the provision of metering services will be classified in accordance with the type of meter and the functionality that it provides, and has assigned these meters into differing meter classes. These meter classes are shown in Table 6 in Section 3.4 above.

10.1.2 Setting the 2019-20 metering services tariffs

This section provides an overview of how the allowable prices for metering services are recovered through tariffs.

The 2019-20 metering services tariffs and charging parameters set out in this Annual Distribution Pricing Proposal are based on the price caps determined by the AER in its distribution determination for TasNetworks[33]. Our price caps for the provision of metering services are calculated in accordance with the following formula, given by the AER in its distribution determination for TasNetworks[34]:

$$\overline{p}_t^i = \overline{p}_{t-1}^i \times (1 + \Delta CPI_t) \times (1 - X_t^i) + A_t^i$$

Table 33 provides details of the price cap calculation that TasNetworks has utilised in the preparation of its metering services tariffs.

---

[32] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

[33] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

[34] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

Table 33 Price cap calculation – metering services

Component	Value	Comment
$\bar{p}_i^t$	Various	The cap on the price of service i in year t.
p_i^t	Various	The price of service i in year t. The initial value is to be decided in the AER's distribution determination for TasNetworks.
$\bar{p}_{t-1}^i$	Various	The cap on the price of service i in year t–1.
ΔCPI_t	%	The annual percentage change in the Australian Bureau of Statistics Consumer Price Index (CPI) for All Groups, Weighted Average of Eight Capital Cities from the December quarter in year t-2 to the December quarter in year t-1.
X_i^t	%	The 'X' factor as specified in the AER's distribution determination for TasNetworks.
A_t^i	Various	Is the sum of any adjustments for services i in year t.

10.1.3 Prices for metering services

The proposed 2019-20 prices for each of TasNetworks' metering services tariffs are outlined in Table 34.

Table 34 Tariffs for metering services

Tariff		Price (c/day)	Annual charge ($)
Domestic LV – single phase	Capital	3.370	12.33
	Non-capital	3.051	11.17
Domestic LV – multi phase	Capital	6.994	25.60
	Non-capital	6.331	23.17
Domestic LV – CT meters	Capital	8.655	31.68
	Non-capital	7.835	28.68
Business LV – single phase	Capital	3.486	12.76
	Non-capital	3.156	11.55
Business LV – multi phase	Capital	6.974	25.52
	Non-capital	6.313	23.10
Business LV – CT meter	Capital	9.018	33.01
	Non-capital	8.163	29.88
Other	Capital	6.154	22.52
	Non-capital	5.571	20.39

10.2 Public lighting services

This section sets out the indicative prices for the public lighting services provided by TasNetworks.

It is important to note that the final tariff for the provision of public lighting services comprises a charge for the provision of a standard control service and an alternative control service. The

conveyance of electricity to public lights requires the use of the distribution network, which is a standard control service, while the provision, construction and maintenance of public lighting asset are alternative control services. Only the alternative control service component of public lighting tariffs is discussed in this section.

10.2.1 Overview of public lighting services

Public lighting services are those services provided by TasNetworks for:

- 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.

Public lighting services exclude:

- the alteration and relocation of public lighting assets, which will be provided on a quoted service basis and are, therefore, categorised as an ancillary service – quoted service; and
- the installation of contract lights, which will be provided on a quoted service basis and is, therefore, categorised as an ancillary service – quoted service.

The AER has determined that the provision of public lighting services will be categorised according to the type of light that is provided and whether that light is owned by TasNetworks.

Those lights that are owned by TasNetworks are referred to as public lights, while those lights that are owned by the customer are referred to as contract lights.

These lighting types are shown in Table 7 and Table 8 of section 3.4 above.

10.2.2 Setting the 2019-20 public lighting services tariffs

This section provides an overview of how the allowable prices for public lighting services are recovered through tariffs.

The 2019-20 public lighting services tariffs and charging parameters set out in this Annual Distribution Pricing Proposal are based on the price caps determined by the AER in its distribution determination for TasNetworks[35].

TasNetworks' price caps for the provision of public lighting services are calculated in accordance with the formula given by the AER in its distribution determination for TasNetworks[36]:

$$\overline{p}_t^i = \overline{p}_{t-1}^i \times (1 + \Delta CPI_t) \times (1 - X_t^i) + A_t^i$$

Table 35 provides details of the price cap calculation that TasNetworks has utilised in the preparation of its public lighting tariffs.

[35] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

[36] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

Table 35 Price cap calculation – public lighting services

Component	Value	Comment
$\bar{p}_i^t$	Various	The cap on the price of service i in year t.
p_i^t	Various	The price of service i in year t. The initial value is to be decided in the AER's distribution determination for TasNetworks.
$\bar{p}_{t-1}^i$	Various	The cap on the price of service i in year t–1.
ΔCPI_t	%	The annual percentage change in the Australian Bureau of Statistics Consumer Price Index (CPI) for All Groups, Weighted Average of Eight Capital Cities from the December quarter in year t-2 to the December quarter in year t-1.
X_i^t	%	The 'X' factor as given in the AER's distribution determination for TasNetworks.
A_t^i	Various	Is the sum of any adjustments for services i in year t.

10.2.3 Prices for public lighting services

The proposed 2019-20 prices for each of TasNetworks' public light tariffs are set out in Table 36.

Table 36 Tariffs for public lighting by type

Lighting type	Price (c/day)	Annual charge ($)
New technology – minor	36.883	134.99
New technology – major	47.324	173.21
14W LED	36.883	134.99
18W LED	37.242	136.31
18W LED decorative	48.858	178.82
25W LED	37.442	137.04
25W LED decorative	49.059	179.56
42W compact fluorescent	39.030	142.85
42W compact fluorescent – bottom pole entry	39.030	142.85
70W sodium vapour	39.272	143.74
100W sodium vapour	45.517	166.59
150W sodium vapour	47.847	175.12
250W sodium vapour	48.946	179.14
400W sodium vapour	49.493	181.14
250W sodium vapour – flood light	52.247	191.22
400W sodium vapour – flood light	51.670	189.11
100W metal halide	45.885	167.94
150W metal halide	48.007	175.71
250W metal halide	48.831	178.72

Lighting type	Price (c/day)	Annual charge ($)
400W metal halide	53.069	194.23
250W metal halide – flood light	53.295	195.06
400W metal halide – flood light	53.069	194.23
14W LED decorative (obsolete)	36.883	134.99
T5 fluorescent 2 x 24W (obsolete)	40.984	150.00
1 x 20W fluorescent (obsolete)	40.721	149.04
50W mercury vapour (obsolete)	37.039	135.56
80W mercury vapour (obsolete)	37.025	135.51
80W mercury vapour – decorative (obsolete)	51.582	188.79
125W mercury vapour (obsolete)	45.522	166.61
250W mercury vapour (obsolete)	45.913	168.04
400W mercury vapour (obsolete)	47.292	173.09

The proposed 2019-20 prices for each of TasNetworks' contract light tariffs are outlined in Table 37.

Table 37 Tariffs for contract lighting by type

Lighting type	Price (c/day)	Annual charge ($)
New technology – minor	13.070	47.84
New technology – major	13.743	50.30
14W LED	13.070	47.84
18W LED	13.471	49.30
18W LED decorative	13.471	49.30
25W LED	13.471	49.30
25W LED decorative	13.471	49.30
42W compact fluorescent	18.667	68.32
42W compact fluorescent – bottom pole entry	18.667	68.32
70W sodium vapour	18.919	69.24
100W sodium vapour	22.510	82.39
150W sodium vapour	22.749	83.26
250W sodium vapour	22.907	83.84
400W sodium vapour	22.961	84.04
250W sodium vapour – flood light	22.907	83.84
400W sodium vapour – flood light	22.961	84.04
100W metal halide	22.750	83.27
150W metal halide	22.562	82.58
250W metal halide	22.562	82.58

Lighting type	Price (c/day)	Annual charge ($)
400W metal halide	23.187	84.86
250W metal halide – flood light	22.562	82.58
400W metal halide – flood light	23.187	84.86
14W LED decorative (obsolete)	13.070	47.84
50W mercury vapour (obsolete)	18.508	67.74
80W mercury vapour (obsolete)	18.471	67.60
80W mercury vapour – Aeroscreen (obsolete)	18.471	67.60
125W mercury vapour (obsolete)	21.625	79.15
250W mercury vapour (obsolete)	21.625	79.15
400W mercury vapour (obsolete)	21.761	79.65
1 x 20W fluorescent (obsolete)	18.547	67.88
2 x 20W fluorescent (obsolete)	18.810	68.84
1 x 40W fluorescent (obsolete)	18.564	67.94
2 x 40W fluorescent (obsolete)	18.844	68.97
3 x 40W fluorescent (obsolete)	22.322	81.70
4 x 40W fluorescent (obsolete)	22.602	82.72
4 x 20W fluorescent (obsolete)	19.336	70.77
60W incandescent (obsolete)	18.396	67.33
100W incandescent (obsolete)	21.595	79.04

10.3 Ancillary Service – fee based services

This section sets out the indicative prices for the fee based services provided by TasNetworks.

10.3.1 Overview

Fee based services are those services provided by TasNetworks where the service is, in general, provided for the benefit of a single customer rather than uniformly supplied to all customers. These services are provided upon request and are typically initiated by way of a service request received from a retailer on behalf of their customer.

Examples of the services TasNetworks provides on a fee basis include, but are not limited to:

- energisation;
- de-energisation;
- re-energisation;
- meter testing;
- supply abolishment – removal of meters and service connection;
- tee-up;
- other miscellaneous services;

- connection establishment charges;
- temporary disconnection/reconnection; and
- basic connection alteration.

These services are largely homogenous in nature, in that the cost inputs involved in providing these services do not involve material variations between customers. Therefore, a fixed fee can be set in advance with reasonable certainty.

These fee based service types are shown in Table 9 of section 3.4.

10.3.2 Setting the 2019-20 fee based services tariffs

This section provides an overview of how the allowable prices for fee based services are recovered through tariffs.

The 2019-20 fee based services tariffs and charging parameters set out in this Annual Distribution Pricing Proposal are based on the price caps determined by the AER in its distribution determination for TasNetworks[37].

TasNetworks' price caps for the provision of fee based services are calculated in accordance with the formula given by the AER in its distribution determination for TasNetworks[38]:

$$\overline{p}_t^i = \overline{p}_{t-1}^i \times (1 + \Delta CPI_t) \times (1 - X_t^i) + A_t^i$$

Table 38 provides details of the price cap calculation that TasNetworks has utilised in the preparation of its fee based services tariffs.

Table 38 Table 1: Price cap calculation – fee based services

Component	Value	Comment
$\overline{p}_i^t$	Various	The cap on the price of service i in year t.
p_i^t	Various	The price of service i in year t. The initial value is to be decided in the AER's distribution determination for TasNetworks.
$\overline{p}_{t-1}^i$	Various	The cap on the price of service i in year t–1.
ΔCPI_t	%	The annual percentage change in the Australian Bureau of Statistics Consumer Price Index (CPI) for All Groups, Weighted Average of Eight Capital Cities from the December quarter in year t-2 to the December quarter in year t-1.
X_i^t	%	The 'X' factor as given in the AER's distribution determination for TasNetworks.
A_t^i	Various	Is the sum of any adjustments for services i in year t.

[37] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

[38] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

10.3.3 Prices for fee based services

The proposed 2019-20 prices for each of TasNetworks' fee based services tariffs are outlined in Table 39.

Table 39 Tariffs for fee based services

Service	Price ($)
Energisation, de-energisation, re-energisation and special reads	
Site visit – no appointment (energisation, de-energisation, and re-energisation)	78.76
Site visit – no appointment (special reads)	49.99
Site visit – non-scheduled visit	131.78
Site visit – same day premium service	198.87
Site visit – after hours	315.96
Site visit – credit action or site issues	141.09
Site visit – credit action pillar box/pole top	246.58
Site visit – current transformer (CT) metering	126.71
Site visit – pillar box/pole top	246.58
Site visit – pillar box/pole top wasted visit	141.09
Transfer of retailer	0.00
Meter test	
Meter test – single phase	228.93
Meter test – multi phase	451.03
Meter test – current transformer (CT)	500.39
Meter test – after hours	883.04
Meter test –wasted visit	80.87
Supply abolishment	
Remove service & meters	250.68
Supply abolishment – after hours	618.34
Supply abolishment – wasted visit	154.78
Truck tee-up	
Tee-up/appointment	131.59
Tee-up/appointment – after hours	665.67
Tee-up/appointment – no truck – after hours	339.63
Tee-up/appointment – wasted visit	82.23
Miscellaneous services	
Open turret	117.88
Data download	253.61
Alteration to unmetered supply	191.92

Service	Price ($)
Meter relocation	167.24
Tiger tails – standard single/multi-phase	616.71
Tiger tails – scaffolding single phase	982.64
Tiger tails – scaffolding multi-phase	1081.35
Administration	47.80
Statutory right – access prevented	1,183.99
Tariff change	47.80
Emergency maintenance contestable meters	51.25
Emergency maintenance contestable meters – after hours	339.63
Meter recovery and disposal	93.21
Miscellaneous service	105.54
Miscellaneous service – after hours	520.76
Miscellaneous service – wasted visit	80.87
Connection establishment charges	
Creation of a NMI	39.06
Overhead service, single span – single phase	554.08
Overhead service, single span – multi-phase	791.95
Underground service in turret/cabinet – single phase	167.09
Underground service in turret/cabinet – multi-phase	218.98
Underground service with pole mounted fuse – single phase	421.31
Underground service with pole mounted fuse – multi-phase	537.44
Basic connection – after hours	1054.06
Connection establishment – wasted visit	141.15
Temporary disconnection charges	
Disconnect/reconnect overhead service for facia repairs – single phase	411.24
Disconnect/connect overhead service for facia repairs – multi-phase	509.96
Temporary disconnect/reconnect –	361.89
Temporary disconnect/reconnect – after hours	883.04
Temporary disconnect/reconnect – wasted visit	164.47
Basic connection alteration	
Connection alteration – overhead single phase	313.90
Connection alteration – overhead multi-phase	412.61
Connection of new consumer mains to an existing installation – underground single phase to turret	190.51

Service	Price ($)
Connection of new consumer mains to an existing installation – underground single phase to pole	363.25
Connection of new consumer mains to an existing installation – underground multi-phase to turret	239.87
Connection of new consumer mains to an existing installation – underground multi-phase to pole	461.97
Augment single phase overhead service to multi-phase supply	865.98
Augment multi-phase overhead service to single phase supply	628.11
Augment single phase overhead service to underground supply (turret)	389.19
Augment multi-phase overhead service to underground supply (turret)	487.90
Augment single phase overhead service to underground supply (pole)	495.34
Augment multi-phase overhead service to underground supply (pole)	611.47
Basic connection alteration – after hours	1,136.63
Basic connection – wasted visit	153.49

10.4 Ancillary Service – quoted services

This section sets out the indicative prices for the quoted services provided by TasNetworks.

10.4.1 Overview

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.

Requests for quoted (new design, construction fees, and non-standard) services may be received from a customer or retailer on behalf of a customer. TasNetworks provides a range of new design, construction, and non-standard services on a quoted basis including, but not limited to, new design and construction fees set in out in Table 10 of section 3.4.

10.4.2 Setting the 2019-20 quoted services tariffs

This section provides an overview of how the allowable prices for quoted services are recovered through tariffs.

The 2019-20 quoted services tariffs and charging parameters set out in this Annual Distribution Pricing Proposal are based on the price caps as determined by the AER in its distribution determination for TasNetworks[39].

TasNetworks' price caps for the provision of quoted services are calculated in accordance with the formula given by the AER in its distribution determination for TasNetworks[40]:

Price = Labour + Contractor Services + Materials + Margin

[39] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

[40] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

In accordance with the AER's distribution determination for TasNetworks, we are only required to provide a calculation of labour rates as a component of this Annual Distribution Pricing Proposal.

TasNetworks' price caps for the labour rates within quoted services are escalated annually in accordance with the formula given by the AER in its distribution determination for TasNetworks[41]:

$(1 + \Delta CPI_t)(1 - X_t^i)$

For the regulatory control period 2019-24 the AER has approved the addition of a margin. The margin will be equal to the nominal vanilla WACC. The margin for 2019-20 is set out in Table 41.

Table 40 provides details of the labour rate cap calculation that TasNetworks has utilised in the preparation of its quoted services tariffs.

Table 40 Price cap calculation for quoted services

Component	Value	Comment
Labour	Various	The price for each quoted service labour rate as given in the AER's distribution determination for TasNetworks.
ΔCPI_t	%	The annual percentage change in the Australian Bureau of Statistics Consumer Price Index (CPI) for All Groups, Weighted Average of Eight Capital Cities from the December quarter in year t-2 to the December quarter in year t-1.
X_t^i	%	The X factor for service i in year t.

Table 41 Margin to quoted services

Component	Value	Comment
Margin	5.28%	The amount equal to TasNetworks' nominal vanilla WACC applied to the cost of labour, Contractor Services and Materials.

10.4.3 Labour prices for quoted services

The proposed 2019-20 prices for each of TasNetworks' quoted services tariffs are outlined in Table 42.

Table 42 Tariffs for quoted services

Labour	Price ($/hour)
Asset Inspector	88.06
Asset Inspector – including vehicle	108.06
Cable jointer	112.83
Customer connections – commercial metering	135.33
Customer connections – service crew	122.34
Designer	120.90
Distribution electrical technician	102.02

[41] Final Decision, TasNetworks distribution determination 2019-24, Attachment 18 – Tariff structure statement, April 2019.

Labour	Price ($/hour)
Distribution electrical technician – including vehicle	122.02
Distribution linesman	110.56
Distribution linesman – live line	122.55
Distribution operator	114.89
Distribution operator – including vehicle	134.89
Engineer	130.48
Senior engineer	150.20
Field service co-ordinator	110.03
General administration	101.43
Labourer – overhead	99.99
Meter reader	94.16
Project manager	135.85

11 Customer price impacts – alternative control services

The price changes between 2018-19 and 2019-20 for alternative control services are provided in the following tables.

11.1 Metering services

Table 43 provides the difference in the charges between 2018-19 and 2019-20 for the provision of metering services.

Table 43 Metering services – percentage price change

Tariff		Price 2018-19 (c/day)	Price 2019-20 (c/day)	Percentage change (%)
Domestic LV – single phase	Capital	3.253	3.370	3.6%
	Non-capital	2.949	3.051	3.5%
Domestic LV – multi phase	Capital	6.751	6.994	3.6%
	Non-capital	6.121	6.331	3.4%
Domestic LV – CT meters	Capital	8.355	8.655	3.6%
	Non-capital	7.574	7.835	3.4%
Business LV – single phase	Capital	3.365	3.486	3.6%
	Non-capital	3.051	3.156	3.4%
Business LV – multi phase	Capital	6.731	6.974	3.6%
	Non-capital	6.103	6.313	3.4%
Business LV – CT meters	Capital	8.704	9.018	3.6%
	Non-capital	7.892	8.163	3.4%
Other meters (PAYG)	Capital	5.940	6.154	3.6%
	Non-capital	5.386	5.571	3.4%

11.2 Public lighting services

Table 44 provides the difference in the charges between 2018-19 and 2019-20 for the provision of public lighting services.

Table 44 Public lighting – percentage price change

Tariff	Price 2018-19 (c/day)	Price 2019-20 (c/day)	Percentage change (%)
New technology – minor	n.a.	36.883	n.a.
New technology – major	n.a.	47.324	n.a.
14W LED	n.a.	36.883	n.a.
14W LED decorative (obsolete)	n.a.	36.883	n.a.
18W LED	34.339	37.242	8.5%
18W LED decorative	48.088	48.858	1.6%

Tariff	Price 2018-19 (c/day)	Price 2019-20 (c/day)	Percentage change (%)
25W LED	34.339	37.442	9.0%
25W LED decorative	48.088	49.059	2.0%
42W compact fluorescent	36.047	39.030	8.3%
42W compact fluorescent – bottom pole entry	36.047	39.030	8.3%
70W sodium vapour	35.882	39.272	9.4%
100W sodium vapour	45.521	45.517	0.0%
150W sodium vapour	47.881	47.847	(0.1%)
250W sodium vapour	49.024	48.946	(0.2%)
400W sodium vapour	49.888	49.493	(0.8%)
250W sodium vapour – flood light	53.133	52.247	(1.7%)
400W sodium vapour – flood light	52.599	51.670	(1.8%)
100W metal halide	45.676	45.885	0.5%
150W metal halide	48.462	48.007	(0.9%)
250W metal halide	49.327	48.831	(1.0%)
400W metal halide	54.733	53.069	(3.0%)
250W metal halide – flood light	54.883	53.295	(2.9%)
400W metal halide – flood light	54.733	53.069	(3.0%)
T5 fluorescent 2 x 24W (obsolete)	38.032	40.984	7.8%
1 x 20W fluorescent (obsolete)	37.742	40.721	7.9%
50W mercury vapour	33.519	37.039	10.5%
80W mercury vapour (obsolete)	33.520	37.025	10.5%
80W mercury vapour – decorative (obsolete)	50.566	51.582	2.0%
125W mercury vapour (obsolete)	45.386	45.522	0.3%
250W mercury vapour (obsolete)	45.865	45.913	0.1%
400W mercury vapour (obsolete	48.033	47.292	(1.5%)

Table 45 provides the difference in the charges between 2018-19 and 2019-20 for the provision of contract lighting services.

Table 45 Contract lighting – percentage price changes

Tariff	Price 2018-19 (c/day)	Price 2019-20 (c/day)	Percentage change (%)
New technology – minor	n.a.	13.070	n.a.
New technology – major	n.a.	13.743	n.a.
14W LED	n.a.	13.070	n.a.
14W LED decorative (obsolete)	n.a.	13.070	n.a.

Tariff	Price 2018-19 (c/day)	Price 2019-20 (c/day)	Percentage change (%)
18W LED	12.349	13.471	9.1%
18W LED decorative	12.349	13.471	9.1%
25W LED	12.349	13.471	9.1%
25W LED decorative	12.349	13.471	9.1%
42W compact fluorescent	18.222	18.667	2.4%
42W compact fluorescent – bottom pole entry	18.222	18.667	2.4%
70W sodium vapour	18.434	18.919	2.6%
100W sodium vapour	22.559	22.510	(0.2%)
150W sodium vapour	22.555	22.749	0.9%
250W sodium vapour	22.688	22.907	1.0%
400W sodium vapour	22.734	22.961	1.0%
250W sodium vapour – flood light	22.688	22.907	1.0%
400W sodium vapour – flood light	22.734	22.961	1.0%
100W metal halide	22.556	22.750	0.9%
150W metal halide	22.703	22.562	(0.6%)
250W metal halide	22.703	22.562	(0.6%)
400W metal halide	23.408	23.187	(0.9%)
250W metal halide – flood light	22.703	22.562	(0.6%)
400W metal halide – flood light	23.408	23.187	(0.9%)
50W mercury vapour (obsolete)	18.088	18.508	2.3%
80W mercury vapour (obsolete)	18.056	18.471	2.3%
80W mercury vapour – Aeroscreen (obsolete)	18.056	18.471	2.3%
125W mercury vapour (obsolete)	21.646	21.625	(0.1%)
250W mercury vapour (obsolete)	21.646	21.625	(0.1%)
400W mercury vapour (obsolete)	21.799	21.761	(0.2%)
1 x 20W fluorescent	18.189	18.547	2.0%
2 x 20W fluorescent	18.480	18.810	1.8%
1 x 40W fluorescent	18.208	18.564	2.0%
2 x 40W fluorescent	18.518	18.844	1.8%
3 x 40W fluorescent	22.414	22.322	(0.4%)
4 x 40W fluorescent	22.722	22.602	(0.5%)
4 x 20W fluorescent	19.062	19.336	1.4%
60W incandescent	18.023	18.396	2.1%
100W incandescent	21.610	21.595	(0.1%)

11.3 Fee based services

Table 46 provides the difference in the charges between 2018-19 and 2019-20 for the provision of fee based services.

Table 46 Fee based services – percentage price change

Tariff	Price 2018-19 ($)	Price 2019-20 ($)	Percentage change (%)
De-energisation, re-energisation and special reads			
Site visit – no appointment (energisation, de-energisation, and re-energisation)	60.67	78.76	29.8%
Site visit – no appointment (special reads)	60.67	49.99	(17.6%)
Site visit – non-scheduled visit	134.10	131.78	(1.7%)
Site visit – same day premium service	227.10	198.87	(12.4%)
Site visit – after hours	357.01	315.96	(11.5%)
Site visit – credit action or site issues	141.11	141.09	0.0%
Site visit – credit action pillar box/pole top	253.22	246.58	(2.6%)
Site visit – current transformer (CT) metering	131.49	126.71	(3.6%)
Site visit – pillar box/pole top	253.22	246.58	(2.6%)
Site visit – pillar box/pole top wasted visit	150.96	141.09	(6.5%)
Transfer of retailer	0.00	0.00	0.0%
Meter test			
Meter test – single phase	220.03	228.93	4.0%
Meter test – multi phase	419.24	451.03	7.6%
Meter test – CT	463.52	500.39	8.0%
Meter test – after hours	841.00	883.04	5.0%
Meter test –wasted visit	87.21	80.87	(7.3%)
Supply abolishment			
Remove service and meters	265.70	250.68	(5.7%)
Supply abolishment – after hours	668.30	618.34	(7.5%)
Supply abolishment – wasted visit	172.75	154.78	(10.4%)
Truck tee-up			
Tee-up/Appointment	149.06	131.59	(11.7%)
Tee-up/Appointment – after hours	668.30	665.67	(0.4%)
Tee-up/Appointment – no truck – after hours	357.01	339.63	(4.9%)
Tee-up/Appointment – wasted visit	97.77	82.23	(15.9%)
Miscellaneous service			
Open turret	140.40	117.88	(16.0%)

Tariff	Price 2018-19 ($)	Price 2019-20 ($)	Percentage change (%)
Data download	281.48	253.61	(9.9%)
Alteration to unmetered supply	217.35	191.92	(11.7%)
Meter relocation	168.85	167.24	(1.0%)
Tiger tails – standard single/multi phase	n.a.	616.71	n.a.
Tiger tails – scaffolding single phase	n.a.	982.64	n.a.
Tiger tails – scaffolding multi phase	n.a.	1,081.35	n.a.
Administration	n.a.	47.80	n.a.
Statutory right – access prevented	n.a.	1,183.99	n.a.
Tariff change	n.a.	47.80	n.a.
Emergency maintenance contestable meters	n.a.	51.25	n.a.
Emergency maintenance contestable meters – after hours	n.a.	339.63	n.a.
Meter recovery and disposal	n.a.	93.21	n.a.
Miscellaneous service	127.58	105.54	(17.3%)
Miscellaneous service – after hours	570.01	520.76	(8.6%)
Miscellaneous service – wasted visit	101.92	80.87	(20.7%)
Connection establishment charges			
Creation of a NMI	n.a.	39.06	n.a.
Overhead service, single span – single phase	561.54	554.08	(1.3%)
Overhead service, single span – multiphase	791.97	791.95	0.0%
Underground service in turret/cabinet – single phase	184.02	167.09	(9.2%)
Underground service in turret/cabinet – multi-phase	230.79	218.98	(5.1%)
Underground service with pole mounted fuse – single phase	430.40	421.31	(2.1%)
Underground service with pole mounted fuse – multi-phase	540.57	537.44	(0.6%)
Basic connection – after hours	1,029.66	1,054.06	2.4%
Connection establishment wasted visit	157.38	141.15	(10.3%)
Temporary disconnection charges			
Disconnect/reconnect overhead service for fascia repairs – single phase	328.83	411.24	25.1%
Disconnect/reconnect overhead service for fascia repairs – multi-phase	421.80	509.96	20.9%
Temporary disconnect/reconnect – retailer requested outage		361.89	n.a.
Temporary disconnect/reconnect – after hours	868.85	883.04	1.6%

Tariff	Price 2018-19 ($)	Price 2019-20 ($)	Percentage change (%)
Temporary disconnect/reconnect – wasted visit	189.40	164.47	(13.2%)
Basic connection alteration			
Connection alteration – overhead single phase	328.83	313.90	(4.5%)
Connection alteration – overhead multi-phase	421.80	412.61	(2.2%)
Connection of new consumer mains to an existing installation – underground single phase to a turret	229.51	190.51	(17.0%)
Connection of new consumer mains to an existing installation – underground single phase to a pole	229.51	363.25	58.3%
Connection of new consumer mains to an existing installation – underground multi-phase to a turret	280.81	239.87	(14.6%)
Connection of new consumer mains to an existing installation – underground multi-phase to a pole	280.81	461.97	64.5%
Augment single phase overhead service to multi-phase supply	861.70	865.98	0.5%
Augment multi-phase overhead service to single phase supply	631.27	628.11	(0.5%)
Augment single phase overhead service to underground supply (turret)	399.81	389.19	(2.7%)
Augment multi-phase overhead service to underground supply (turret)	492.77	487.90	(1.0%)
Augment single phase overhead service to underground supply (pole)	500.12	495.34	(1.0%)
Augment multi-phase overhead service to underground supply (pole)	610.28	611.47	0.2%
Basic connection alteration – after hours	1,102.84	1,136.63	3.1%
Basic connection wasted visit	177.78	153.49	(13.7%)

11.4 Quoted services

Table 47 provides the difference in the labour rate charges between 2018-19 and 2019-20 for the provision of quoted services.

Table 47 Quoted services – percentage price change

Tariff	Price 2018-19 ($/hour)[42]	Price 2019-20 ($/hour)	Percentage change (%)
Asset Inspector	n.a.	88.06	n.a.
Asset Inspector – including vehicle	n.a.	108.06	n.a.

42 2018-19 prices exclude overheads, and vehicle allowance whereas the 2019-20 prices include these components.

Tariff	Price 2018-19 ($/hour)[42]	Price 2019-20 ($/hour)	Percentage change (%)
Cable jointer	61.72	112.83	82.8%
Customer connections – commercial metering	64.30	135.33	110.5%
Customer connections – service crew	63.32	122.34	93.2%
Designer	71.39	120.90	69.4%
Distribution electrical technician	63.44	102.02	60.8%
Distribution electrical technician – including vehicle	n.a.	122.02	n.a.
Distribution linesman	57.43	110.56	92.5%
Distribution linesman – live line	64.59	122.55	89.7%
Distribution operator	70.98	114.89	61.9%
Distribution operator – including vehicle	n.a.	134.89	n.a.
Engineer	n.a.	130.48	n.a.
Senior Engineer	n.a.	150.20	n.a.
Field service co-ordinator	73.76	110.03	49.2%
General Administration	n.a.	101.43	n.a.
Labourer – overhead	49.34	99.99	102.7%
Meter reader	49.15	94.16	91.6%
Project manager	87.70	135.85	54.9%

12 Alternative control services – tariff variations

Clause 6.18.2(b)(5) of the Rules requires that TasNetworks' Annual Distribution Pricing Proposal set out the nature of any variation or adjustment to a tariff that could occur during the course of the regulatory year and the basis on which it could occur.

12.1 Changes to alternative control services pricing

Alternative control services will change in price in 2019-20, in accordance with the AER's distribution determination for TasNetworks[43].

12.2 Changes to alternative control services tariffs

There are no changes in 2019-20 to the tariffs applying to alternative control services.

However, it should be noted that the Australian Energy Market Commission (**AEMC**) has made changes to the Rules and National Energy Retail Rules in relation to the provision of metering services. Our metering charges are split between a capital and a non-capital fee. Further detail is providing within our Metering Services Application and Price Guide.

Further to the metering rule changes above there are a number of Ancillary services – Fee based services that we no longer provide. These are predominately metering alteration services.

The pricing proposal includes a number of changes to alternative control services tariffs as a result of the AER final decision, material changes being:

12.2.1 Metering

There are no changes in 2019-20 to the tariffs applying to metering. However, we note that legacy PAYG pre-payment meters (Siemens meters) that were previously treated as unregulated are now alternative control metering assets. There will be no capital charge applying to these meters.

12.2.2 Public lighting

There are new lighting technologies have been added in 2019-20 for both public and private contract lighting which include:

- 14W LED;
- 14W LED (decorative);
- New LED technology (minor); and
- New LED technology (major).

12.2.3 Ancillary service – Fee based services

There are a number of new services included in 2019-20 which include:

- Site visit – no appointment (special reads);
- Tiger tails – standard single/multi-phase;
- Tiger tails – scaffolding single phase;
- Timer tails – scaffolding multi-phase;
- Administration;
- Statutory rights – access prevented;
- Tariff change;

[43] Final Decision, TasNetworks distribution determination, 2019-24, April 2019.

- Emergency maintenance contestable meters;
- Emergency maintenance contestable meters – after hours;
- Meter recovery and disposal; and
- Creation of a NMI

Due to the changes made to the Rules and National Energy Retail Rules by the Australian Energy Market Commission (AEMC) in relation to the provision of metering services from 1 December 2017, TasNetworks has removed a number of services that we are no longer able to provide, which include:

- Metering alteration services; and
- Renewable energy connections.

12.2.4 Ancillary services – Quoted Services

Changes have been made to the labour categories to reflect our current practice, as follows:

- General Administration; Engineer; and Senior Engineer are to be included as new categories;
- Pole Tester has been removed; and
- Electrical Inspector has been renamed as Asset Inspector.

Furthermore, a 'margin' component has been added to the formula for quoted services; which is discussed in Section 10.4.

13 Confidential information

The AER has published confidentiality guidelines as part of its Better Regulation program that provide guidance regarding the submission of claims of confidentiality by network service providers. Those Guidelines have been applied when assessing the need to protect the information submitted to the AER in support of this Annual Distribution Pricing Proposal.

TasNetworks considers that the sections within, or attachments to, this Annual Distribution Pricing Proposal which are identified in PP009 contain sensitive information. TasNetworks considers that this information should be protected as confidential, on the basis that it is neither common knowledge nor publicly available, that its publication would be detrimental to TasNetworks, and that the detriment to TasNetworks of disclosure would outweigh the public benefits.

Where such confidential information exists within this Annual Distribution Pricing Proposal or any attachment, TasNetworks has redacted those confidential parts and provided a 'public' version of the Annual Distribution Pricing Proposal or the attachment. Where TasNetworks considers that an entire attachment should remain confidential it has not provided a 'public' version.

14 Distribution pricing proposal compliance obligations

14.1 Overview

Section 6.18 of the Rules contains a range of compliance obligations which TasNetworks must meet in developing and publishing its annual distribution pricing proposals for the AER. Table 48 sets out those obligations and the section of this pricing proposal which addresses each requirement.

Table 48 Compliance obligations under the Rules

Clause	Pricing Proposal Requirement	Reference
6.18.1C(a)	No later than four months before the start of the regulatory years (other than the first regulatory year of a regulatory control period), a DNSP may notify the AER, affected retailers and affected retail customers of a new proposed tariff (a relevant tariff) that is determined otherwise than in accordance with the DNSP current tariff structure statement, if both of the following are satisfied:	Section 5
6.18.2(a)(1)	A DNSP must submit to the AER, as soon as practicable, and in any case within 15 business days, after publication of the distribution determination, a pricing proposal (the initial pricing proposal) for the first regulatory year of a regulatory control period.	This Annual Distribution Pricing Proposal
6.18.2(b)(2)	A pricing proposal must set out the proposed tariffs for each tariff class that is specified in the Distribution Network Service Provider's tariff structure statement for the relevant regulatory control period.	Section 3
6.18.2(b)(3)	A pricing proposal must set out, for each proposed tariff, the charging parameters and the elements of service to which each charging parameter relates.	Section 3
6.18.2(b)(4)	A pricing proposal must set out, for each tariff class related to standard control services, the expected weighted average revenue for the relevant regulatory year and also for the current regulatory year.	Section 5 Attachment PP007
6.18.2(b)(5)	A pricing proposal must set out the nature of any variation or adjustment to the tariff that could occur during the course of the regulatory year and the basis on which it could occur.	Section 9 Section 12
6.18.2(b)(6)	A pricing proposal must set out how designated pricing proposal charges are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those charges in the previous regulatory year.	Section 3 Section 6
6.18.2(b)(6A)	A pricing proposal must set out how jurisdictional scheme amounts for each approved jurisdictional scheme are to be passed on to customers and any adjustments to tariffs resulting from over or under recovery of those amounts.	There are no jurisdictional schemes applicable to TasNetworks.
6.18.2(b)(6B)	A pricing proposal must describe how each approved jurisdictional scheme that has been amended since the last jurisdictional scheme approval date meets the jurisdictional scheme eligibility criteria.	There are no jurisdictional schemes applicable to TasNetworks.

Clause	Pricing Proposal Requirement	Reference
6.18.2(b)(7)	A pricing proposal must demonstrate compliance with the Rules and any applicable distribution determination, including the Distribution Network Service Provider's tariff structure statement for the relevant regulatory control period.	This Annual Distribution Pricing Proposal
6.18.2(b)(7A)	A pricing proposal must demonstrate how each proposed tariff is consistent with the corresponding indicative pricing levels for the relevant regulatory year as set out in the relevant indicative pricing schedule, or explain any material difference between them.	Section 5
6.18.2(b)(8)	A pricing proposal must describe the nature and extent of change from the previous regulatory year and demonstrate that the changes comply with the Rules and any applicable distribution determination.	Section 5 Section 9 Section 12
6.18.2(d)	At the same time as a Distribution Network Service Provider submits a pricing proposal under paragraph 6.18.2(a), the Distribution Network Service Provider must submit to the AER a revised indicative pricing schedule which sets out, for each tariff and for each of the remaining regulatory years of the regulatory control period, the indicative price levels determined in accordance with the Distribution Network Service Provider's tariff structure statement for that regulatory control period and updated so as to take into account that pricing proposal.	PP010
6.18.2(e)	Where the Distribution Network Service Provider submits an annual pricing proposal, the revised indicative pricing schedule referred to in paragraph (d) must also set out, for each relevant tariff under clause 6.18.1C, the indicative price levels for that relevant tariff for each of the remaining regulatory years of the regulatory control period, updated so as to take into account that pricing proposal	PP010
6.18.3(b)	Each customer for direct control services must be a member of one or more tariff classes.	Section 3
6.18.3(c)	Separate tariff classes must be constituted for retail customers to whom standard control services are supplied and retail customers to whom alternative control services are supplied (but a customer for both standard control services and alternative control services may be a member of two or more tariff classes).	Section 3
6.18.3(d)(1)	A tariff class must be constituted with regard to the need to group retail customers together on an economically efficient basis.	Section 3
6.18.3(d)(2)	A tariff class must be constituted with regard to the need to avoid unnecessary transaction costs.	Section 3

Clause	Pricing Proposal Requirement	Reference
6.18.4(a)(1)	In formulating provisions of a distribution determination governing the assignment of retail customers to tariff classes or the re-assignment of retail customers from one tariff class to another, the AER must have regard to the principle that customers should be assigned to tariff classes on the basis of one or more of the following factors: (i) the nature and extent of their usage; (ii) the nature of their connection to the network; (iii) whether remotely-read interval metering or other similar metering technology has been installed at the customer's premises as a result of a regulatory obligation or requirement.	Section 3
6.18.4(a)(2)	In formulating provisions of a distribution determination governing the assignment of retail customers to tariff classes or the re-assignment of retail customers from one tariff class to another, the AER must have regard to the principle that retail customers with a similar connection and usage profile should be treated on an equal basis.	Section 3
6.18.4(a)(3)	In formulating provisions of a distribution determination governing the assignment of retail customers to tariff classes or the re-assignment of retail customers from one tariff class to another, the AER must have regard to the principle that retail customers with micro-generation facilities should be treated no less favourably than customers without such facilities but with a similar load profile.	Section 3
6.18.4(a)(4)	In formulating provisions of a distribution determination governing the assignment of customers to tariff classes or the re-assignment of customers from one tariff class to another, the AER must have regard to the principle that a DNSP's decision to assign a customer to a particular tariff class, or to re-assign a customer from one tariff class to another should be subject to an effective system of assessment and review.	Section 3
6.18.4(b)	If the charging parameters for a particular tariff result in a basis of charge that varies according to the usage or load profile of the customer, a distribution determination must contain provisions for an effective system of assessment and review of the basis on which a customer is charged.	Section 3
6.18.5(a)	The network pricing objective is that the tariffs that a Distribution Network Service Provider charges in respect of its provision of direct control services to a retail customer should reflect the Distribution Network Service Provider's efficient costs of providing those services to the retail customer.	Section 4 Attachment PP001
6.18.5(b)	Subject to paragraph (c), a Distribution Network Service Provider's tariffs must comply with the pricing principles set out in paragraphs (e) to (j).	Section 4

Clause	Pricing Proposal Requirement	Reference
6.18.5(c)	A Distribution Network Service Provider's tariffs may vary from tariffs which would result from complying with the pricing principles set out in paragraphs (e) to (g) only: (1) to the extent permitted under paragraph (h); and (2) to the extent necessary to give effect to the pricing principles set out in paragraphs (i) to (j).	Section 5
6.18.5(d)	A Distribution Network Service Provider must comply with paragraph (b) in a manner that will contribute to the achievement of the network pricing objective.	Section 4
6.18.5(e)	For each tariff class, the revenue expected to be recovered should lie on or between: (1) an upper bound representing the stand alone cost of serving the retail customers who belong to that class; and (2) a lower bound representing the avoidable cost of not serving those retail customers.	Section 4
6.18.5(f)	Each tariff must be based on the long run marginal cost of providing the service to which it relates to the retail customers assigned to that tariff with the method of calculating such cost and the manner in which that method is applied to be determined having regard to: (1) the costs and benefits associated with calculating, implementing and applying that method as proposed; (2) the additional costs likely to be associated with meeting demand from retail customers that are assigned to that tariff at times of greatest utilisation of the relevant part of the distribution network; and (3) the location of retail customers that are assigned to that tariff and the extent to which costs vary between different locations in the distribution network.	Section 4
6.18.5(g)	The revenue expected to be recovered from each tariff must: (1) reflect the Distribution Network Service Provider's total efficient costs of serving the retail customers that are assigned to that tariff; (2) when summed with the revenue expected to be received from all other tariffs, permit the Distribution Network Service Provider to recover the expected revenue for the relevant services in accordance with the applicable distribution determination for the Distribution Network Service Provider; and (3) comply with sub-paragraphs (1) and (2) in a way that minimises distortions to the price signals for efficient usage that would result from tariffs that comply with the pricing principle set out in paragraph (f).	Section 4

Clause	Pricing Proposal Requirement	Reference
6.18.5(h)	A Distribution Network Service Provider must consider the impact on retail customers of changes in tariffs from the previous regulatory year and may vary tariffs from those that comply with paragraphs (e) to (g) to the extent the Distribution Network Service Provider considers reasonably necessary having regard to: (1) the desirability for tariffs to comply with the pricing principles referred to in paragraphs (f) and (g), albeit after a reasonable period of transition (which may extend over more than one regulatory control period); (2) the extent to which retail customers can choose the tariff to which they are assigned; and (3) the extent to which retail customers are able to mitigate the impact of changes in tariffs through their usage decisions.	Section 4
6.18.5(i)	The structure of each tariff must be reasonably capable of being understood by retail customers that are assigned to that tariff, having regard to: (1) the type and nature of those retail customers; and (2) the information provided to, and the consultation undertaken with, those retail customers.	Section 3
6.18.5(j)	A tariff must comply with the Rules and all applicable regulatory instruments.	Section 5
6.18.6(a)	This clause applies only to tariff classes related to the provision of standard control services.	Section 5
6.18.6(b)	The expected weighted average revenue to be raised from a tariff class for a particular regulatory year of a regulatory control period must not exceed the corresponding expected weighted average revenue for the preceding regulatory year in that regulatory control period by more than the permissible percentage.	Section 5 Not applicable for the 2019-20 regulatory year
6.18.6(c)	The permissible percentage is the greater of the following: (1) the CPI-X limitation on any increase in the DNSP's expected weighted average revenue between the two regulatory years plus 2%. (2) CPI plus 2%.	Section 5 Not applicable for the 2019-20 regulatory year

Clause	Pricing Proposal Requirement	Reference
6.18.6(d)	In deciding whether the permissible percentage has been exceeded in a particular regulatory year, the following are to be disregarded: (1) the recovery of revenue to accommodate a variation to the distribution determination under rule 6.6 or 6.13; (2) the recovery of revenue to accommodate pass through of designated pricing proposal charges to retail customers; (3) the recovery of revenue to accommodate pass through of jurisdictional scheme amounts for approved jurisdictional schemes; and (4) the recovery of revenue to accommodate any increase in the Distribution Network Service Provider's annual revenue requirement by virtue of an application of a formula referred to in clause 6.5.2(l).	Section 5 Not applicable for the 2019-20 regulatory year
6.18.7(a)	A pricing proposal must provide for tariffs designed to pass on to retail customers the designated pricing proposal charges to be incurred by the DNSP.	Section 6
6.18.7(b)	The amount to be passed on to retail customers for a particular regulatory year must not exceed the estimated amount of the designated pricing proposal charges adjusted for over or under recovery in accordance with paragraph (c).	Section 6
6.18.7(c)	The over and under recovery amount must be calculated in a way that: (1) subject to subparagraphs (2) and (3) below, is consistent with the method determined by the AER in the relevant distribution determination for the Distribution Network Service Provider; (2) ensures a DNSP is able to recover from retail customers no more and no less than the designated pricing proposal charges it incurs; and (3) adjusts for an appropriate cost of capital that is consistent with the rate of return used in the relevant distribution determination for the relevant regulatory year.	Section 6 Attachment PP007
6.18.7(d)	Notwithstanding anything else in this clause 6.18.7, a DNSP may not recover charges under this clause to the extent these are: (1) recovered through the Distribution Network Service Provider's annual revenue requirement; (2) recovered under clause 6.18.7A; or (3) recovered from another Distribution Network Service Provider.	Section 6
6.18.7A(a)	A pricing proposal must provide for tariffs designed to pass on to customers a DNSP's jurisdictional scheme amounts for approved jurisdictional schemes.	There are no jurisdictional schemes applicable to TasNetworks.

Clause	Pricing Proposal Requirement	Reference
6.18.7A(b)	The amount to be passed on to customers for a particular regulatory year must not exceed the estimated amount of jurisdictional scheme amounts for a DNSP's approved jurisdictional schemes adjusted for over or under recovery in accordance with paragraph (c).	There are no jurisdictional schemes applicable to TasNetworks.
6.18.7A(c)	The over and under recovery amount must be calculated in a way that: (1) subject to subparagraphs (2) and (3) below, is consistent with the method determined by the AER for jurisdictional scheme amounts in the relevant distribution determination for the DNSP, or where no such method has been determined, with the method determined by the AER in the relevant distribution determination in respect of designated pricing proposal charges; (2) ensures a DNSP is able to recover from customers no more and no less than the jurisdictional scheme amounts it incurs; and (3) adjusts for an appropriate cost of capital that is consistent with the rate of return used in the relevant distribution determination for the relevant regulatory year.	There are no jurisdictional schemes applicable to TasNetworks.

14.2 Compliance review

Clause 6.18.8 of the Rules requires that the AER must approve a Pricing Proposal if the AER is satisfied that:

(1) the Proposal complies with Part I in Chapter 6 of the Rules (Distribution Pricing Rules), any relevant clauses in Chapter 11 of the Rules and any applicable distribution determination including applicable tariff structure statement;

(2) Each proposed tariff set out in the proposal is broadly consistent with the corresponding indicative pricing levels for that tariff for the relevant regulatory year as set out in any previously applicable indicative pricing schedule, or else any material differences have been explained by the DNSP; and

(3) all forecasts associated with the proposal are reasonable.

To assist the AER in this determination, we have undertaken a comprehensive review in section 14.1 above of this Annual Distribution Pricing Proposal to confirm that it is in accordance with the requirements of the Rules and the AER's distribution determination for TasNetworks. Further, KPMG has reviewed the pricing models underlying this Annual Distribution Pricing Proposal to confirm their appropriateness and validity.

15 Attachments

TasNetworks includes the following documents as attachments to this Annual Distribution Pricing Proposal.

Table 49 Attachments

Reference	Title
PP001	TEC Methodology
PP002	Network Tariff Application and Price Guide
PP003	Metering Services Application and Price Guide
PP004	Public Lighting Application and Price Guide
PP005	Ancillary Services – Fee Based Services Application and Price Guide
PP006	Ancillary Services – Quoted Services Application and Price Guide
PP007	AER Tariff Reconciliation Model (confidential)
PP008	Pricing Model – Alternative Control Services
PP009	Annual Distribution Pricing Proposal Overview
PP010	Indicative Pricing Schedule
PP011	Confidentiality Template

16 Listing of tables

Following is a list of the tables within this Annual Distribution Pricing Proposal.

17 Glossary of terms/abbreviations

Term	Definition
ABS	Australian Bureau of Statistics
AER	Australian Energy Regulator
ATMD	Any Time Maximum Demand
Aurora	Aurora Energy Pty Ltd
Business transitional feed-in tariff rate	The rate prescribed in section 44F of the ESI Act for small business customers
CPI	Consumer Price Index
CT	Current Transformer
DCoS	Distribution Cost of Supply
DMIS	Demand Management Incentive Scheme
DNSP	Distribution Network Service Provider
DPPC	Designated Pricing Proposal Charges
DUoS	Distribution Use of System
EHV or Extra High Voltage	A voltage of 88 kV and above
ESI Act	*Electricity Supply Industry Act 1995 (Tas)*
ESISC	Electrical Safety Inspection Service Charge
GW	GigaWatt
GWh	GigaWatt Hour
HV or High Voltage	A voltage exceeding 1,000 volts
Hydro or HEC	Hydro Electric Corporation or Hydro Electric Commission
ISO 9001	Part of the ISO 9000 family of quality management system standards published by the International Organisation for Standardisation
ITC	Individual Tariff Calculation
kV	KiloVolt
kVA	KiloVolt Amp
kW	KiloWatt
kWh	KiloWatt Hour
LV or Low Voltage	A voltage not exceeding 1,000 volts
LRMC	Long Run Marginal Cost
MAR	Maximum Allowable Revenue
MD	Maximum Demand
MV	MegaVolt
MVA	MegaVolt Amps
MW	MegaWatt

Term	Definition
MWh	MegaWatt Hour
NECF	National Energy Customer Framework
NEL	National Electricity Law
NEM	National Electricity Market
NEMC	National Energy Market Charge
NUoS	The tariff for use of the distribution and transmission networks. It is the sum of both Distribution Use of System and Transmission Use of System Charges.
NPV	Net Present Value
OH	Overhead
Ombudsman Act	*Energy Ombudsman Act 1998 (Tas)*
OTTER	Office of the Tasmanian Economic Regulator
PAYG	The Pay As You Go package offered to electricity customers
Payguard	The credit management facility provided by Aurora as a component of PAYG
Private residential dwelling	A house, flat, home unit, town house or similar qualifying residential premise. A house, unit, town house or apartment that, in the reasonable opinion of TasNetworks, is not classifiable under the Australian and New Zealand Standard Industrial Classification (ANZSIC) and is used wholly or principally as a place of residence for personal, household or domestic purposes. The ANZSIC system is used to classify businesses and applies to any entity which provides goods and services, including companies, non-profit organisations, government departments and enterprises.
PTRM	Post Tax Revenue Model
RAB	Regulated Asset Base
Regulator	The meaning given in the *Economic Regulator Act 2009 (Tas)*
Residential transitional feed-in tariff rate	The rate prescribed in section 44F of the ESI Act for residential customers
TSS	TasNetworks Tariff Structure Statement Final – April 2019 TasNetworks Tariff Structure Statement – Background and Explanation Final – April 2019
Rules	National Electricity Rules (version 121)
TasNetworks	Tasmanian Networks Pty Ltd
Standard feed-in tariff rate	The rate determined by the Regulator in accordance with section 44G of the ESI Act
STPIS	Service Target Performance Incentive Scheme
TEC	Tasmanian Electricity Code
TNSP	Transmission Network Service Provider
ToU	Time of Use
TUoS	Transmission Use of System

Term	Definition
UMS	Unmetered Supply
VT	Voltage Transformer
WACC	Weighted Average Cost of Capital