

# Combined Proposal 2024-2029

## Attachment 15 Classification of services



**Outline:** This attachment to TasNetworks' Combined Proposal sets out proposed classifications and descriptions for the regulated services that TasNetworks will provide to customers, in its capacity as Tasmania's distribution network service provider, during the 2024-2029 regulatory control period.



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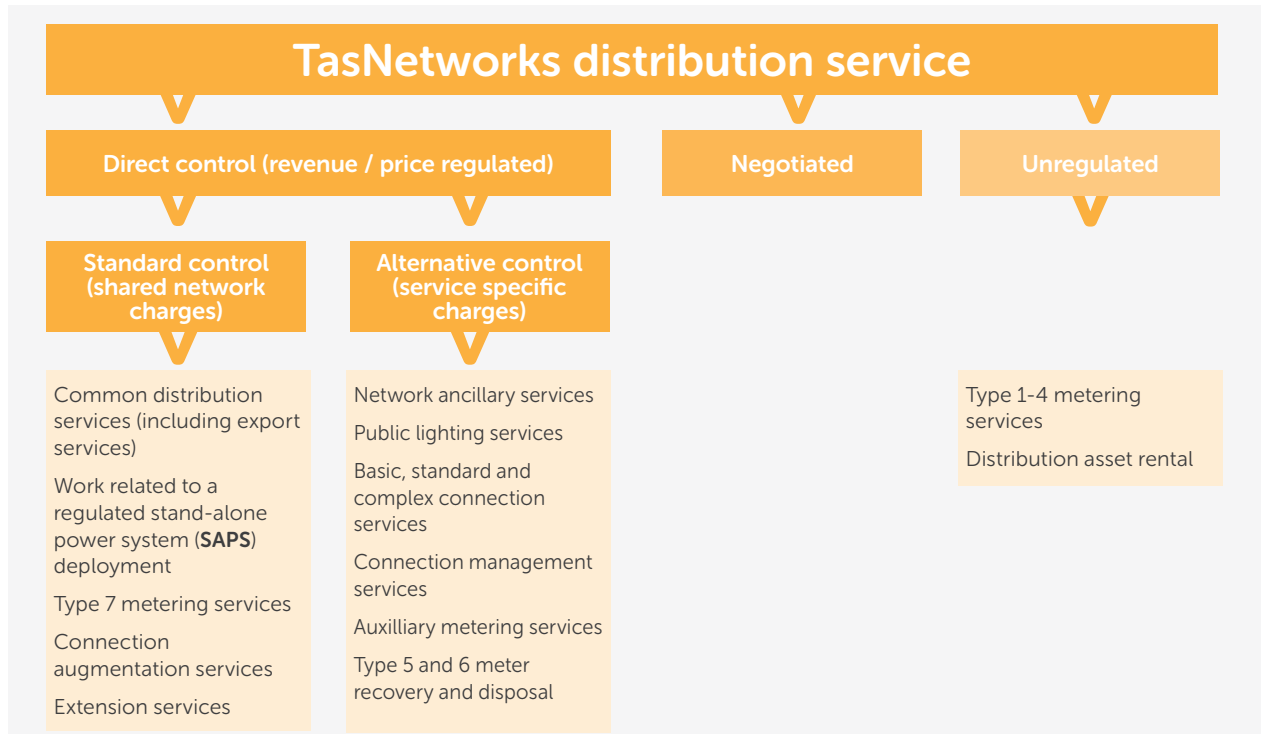
# 15 Classification of services

This attachment to TasNetworks' Combined Proposal sets out TasNetworks' proposed classifications and descriptions for the services that TasNetworks may provide to customers during the 2024-2029 regulatory control period. TasNetworks proposes to adopt the service classification as described in the Australian Energy Regulator's (AER's) Final Framework and Approach<sup>1</sup> with one exception.

The change TasNetworks proposes is to include an additional service, 'extensions', with the service a service classified as a standard control service. This is consistent with the service classification of extensions in TasNetworks' 2019-2024 regulatory control period. This departure from the Framework and Approach will provide clarity and continuity regarding the treatment of extension services for connection services and ensure consistency with TasNetworks' Distribution Connection Pricing Policy.

In developing its Combined Proposal for the 2024-2029 regulatory control period, TasNetworks has engaged with stakeholders under the assumption that extension services will continue to be classified as a standard control service. The change in classification proposed in the Framework and Approach will have detrimental customer impacts, as an alternative control service (ACS) classification does not allow an offset for the Incremental Revenue Rebate against the capital contributions made by customers towards the cost of an extension service. Therefore, connecting customers would be required to pay an amount greater than the incremental costs incurred by the remaining customer base. TasNetworks' proposal to continue classifying service extensions as standard control services will avoid this outcome.

**Figure 1. Classification of distribution services in Tasmania, 2024-2029**



Note: No current services have been classified as negotiated services for the 2024-2029 regulatory control period.

Source: AER, Final Framework and Approach for TasNetworks for the 2024-29 regulatory control period, July 2022, p. 6.

Details of the proposed classification are provided in Appendix 1.

1 Framework and Approach, TasNetworks distribution and transmission (Tasmania), Regulatory control period commencing 1 July 2024, Australian Energy Regulator, July 2022

In accordance with the Framework and Approach, TasNetworks proposes to group the distribution services provided as:

- common distribution services
- network ancillary services
- metering services
- connection services
- public lighting services
- unregulated distribution services.

Figure 1 summarises this approach and the forms of regulatory control to be applied to each service grouping.

# Appendix 1:

## Proposed classification of Tasmanian distribution services, 2024-2029<sup>2</sup>

Service group/ activities included	Further description	Current classification 2019–2024	Proposed classification 2024–2029
<b>Common distribution services - use of the distribution network for the conveyance/flow of electricity (including services relating to network integrity)</b>			
<b>Common distribution services</b>	<p>The suite of activities that includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>the planning, design, repair, maintenance, construction and operation of the distribution network</li> <li>the relocation of assets that form part of the distribution network but not relocations requested by a third party (including a customer)</li> <li>works to fix damage to the network<sup>3</sup> (including recoverable works caused by a customer or third party)</li> <li>support for another network during an emergency event</li> <li>procurement and provision of network demand management activities for distribution purposes</li> <li>activities related to 'shared asset facilitation' of distributor assets<sup>4</sup></li> <li>emergency disconnections for safety reasons and work conducted to restore a failed component of the distribution system to an operational state upon investigating a customer outage</li> <li>bulk supply point metering – activities relating to monitoring the flow of electricity through the distribution network</li> <li>neutral integrity test – to identify the source of a fault following detection from a network issued device. Rectification work to render the network safe is limited to distribution network infrastructure.</li> </ul>	Standard control	Standard control

<sup>2</sup> The examples and activities listed in the 'Further description' column are not intended to be an exhaustive list and TasNetworks may not offer all activities listed. Rather the examples provide a sufficient indication of the types of activities captured by the service

<sup>3</sup> May include the provision of temporary stand-alone power systems to restore supply

<sup>4</sup> Revenue for these services is charged to the relevant third party and is treated in accordance with the shared asset guideline. 'Shared asset facilitation' refers to administrative costs of providing the unregulated service

Service group/ activities included	Further description	Current classification 2019–2024	Proposed classification 2024–2029
<b>Common distribution services</b>	<ul style="list-style-type: none"> <li>• rectification of simple customer faults relating to a life support customer or other critical health and safety issues the distributor is able to address</li> <li>• rectification of simple customer faults where:               <ul style="list-style-type: none"> <li>- the need for rectification work is discovered in the course of the provision of distribution services</li> <li>- the work performed is the minimum required to restore safe supply</li> <li>- the work can be performed in less than thirty minutes and does not normally require a second visit</li> </ul> </li> <li>• establishment and maintenance of National Metering Identifiers (<b>NMIs</b>) in market and/or network metering systems, and other market and regulatory obligations</li> <li>• inspection of private electrical works (not part of the shared network) required under legislation for safety reasons</li> <li>• private pole inspection as directed by the Tasmanian Government</li> <li>• supply abolishment of basic connections</li> <li>• work related to a regulated SAPS deployment, operation and maintenance (including fault and emergency repairs<sup>5</sup>), and customer conversion activities.</li> </ul> <p>Such services do not include a service that has been separately classified including any activity relating to that service.</p>	Standard control	Standard control
<b>Network ancillary services – customer and third-party initiated services related to the common distribution service</b>			
<b>Design related services</b>	<p>Activities include:</p> <ul style="list-style-type: none"> <li>• provision of design information, design rechecking services in relation to connection and relocation works provided contestably</li> <li>• specialist services (which may involve design related activities and oversight/inspections of works), where the design or construction is non-standard, technically complex or environmentally sensitive and any enquiries related to distributor assets</li> <li>• the provision of engineering consulting (related to the shared distribution network).</li> </ul>	Alternative control	Alternative control

5 Includes simple customer fault rectification on generation service of regulated SAPS

Service group/ activities included	Further description	Current classification 2019–2024	Proposed classification 2024–2029
<b>Access permits, oversight and facilitation</b>	<p>Activities include:</p> <ul style="list-style-type: none"> <li>• issuing access permits or clearances to work to a person authorised to work on or near distribution systems including high and low voltage</li> <li>• issuing confined space entry permits and associated safe entry equipment to a person authorised to enter a confined space</li> <li>• providing access to switch rooms, substations and other network equipment to a non-Local Network Service Provider party who is accompanied and supervised by a TasNetworks staff member. May also include a distributor providing safe entry equipment (fall-arrest) to enter difficult access areas</li> <li>• facilitation of generator connection and operation of the network</li> <li>• facilitation of activities within clearances of distributor’s assets, including physical and electrical isolation of assets.</li> </ul>	Alternative control	Alternative control
<b>Notices of arrangement and completion notices</b>	<p>Examples include:</p> <ul style="list-style-type: none"> <li>• Work of an administrative nature where a local council requires evidence in writing from the distributor that all necessary arrangements have been made to supply electricity to a development. This includes: receiving and checking subdivision plans, copying subdivision plans, checking and recording easement details, assessing supply availability, liaising with developers if errors or changes are required and preparing notifications of arrangement</li> <li>• Provision of a completion notice (other than a notice of arrangement). This applies where the distributor is requested to provide documentation confirming progress of work. Usually associated with discharging contractual arrangements (e.g. progress payments) to meet contractual undertakings.</li> </ul>	Alternative control	Alternative control
<b>Network related property services</b>	<p>Activities include:</p> <ul style="list-style-type: none"> <li>• Network related property services such as property tenure services relating to providing advice on, or obtaining: deeds of agreement, deeds of indemnity, leases, easements or other property tenure in relation to property rights associated with connection or relocation</li> <li>• Conveyancing inquiry services relating to the provision of property conveyancing information at the request of a customer</li> <li>• Responding to inquiries from planning authorities to assess the works TasNetworks will need to undertake to give effect to the planning authority’s planning applications.</li> </ul>	Alternative control	Alternative control



Service group/ activities included	Further description	Current classification 2019–2024	Proposed classification 2024–2029
<b>Network safety services</b>	<p>Examples include:</p> <ul style="list-style-type: none"> <li>provision of traffic control and safety observer services by the distributor or third party where required</li> <li>fitting of visual warning devices, such as tiger tails, and aerial markers</li> <li>fitting of wildlife mitigation including possum guards and bird flappers</li> <li>third party requests for de-energising wires for safe approach</li> <li>high load escorts</li> <li>customer requested network inspection undertaken to determine the cause of a customer outage where there may be a safety and/or reliability impact on the network or related component and associated works to rectify a customer caused impact on the network.<sup>6</sup></li> </ul>	Alternative control	Alternative control
<b>Network tariff change requests</b>	<p>Activities including a retailer's customer or retailer requesting an alteration to an existing network tariff (for example, a change from a Block Tariff to a Time of Use tariff), requiring the distributor to conduct tariff and load analysis to determine whether the customer meets the relevant tariff criteria.</p> <p>Where a distributor processes changes in its IT systems to reflect a tariff change request.</p>	Alternative control	Alternative control
<b>Services provided in relation to a Retailer of Last Resort (ROLR) event</b>	<p>The distributors may be required to perform a number of services as a distributor when a ROLR event occurs. For example:</p> <p>Preparing lists of affected sites and reconciling data with Australian Energy Market Operator (<b>AEMO</b>) listings, arranging estimate reads for the date of the ROLR event, preparing final invoices and miscellaneous charges for affected customers, extracting customer data, providing it to the ROLR and handling subsequent enquiries.</p>	Alternative control	Alternative control
<b>Customer requested network outage or rescheduling of a planned interruption</b>	<p>Examples include:</p> <ul style="list-style-type: none"> <li>customer initiated network outage (e.g. to allow customer and/or contractor to perform maintenance on the customer's assets, work close or for safe approach)</li> <li>where a customer requests the rescheduling of a planned interruption and agrees to fund the additional cost of performing this distribution service outside of normal business hours or at an alternative agreed time.</li> </ul>	Alternative control	Alternative control
<b>Attendance at customers' premises to perform a statutory right where access is prevented.</b>	<p>A follow up attendance at a customer's premises to perform a statutory right where access was prevented or declined by the customer on the initial visit.</p>	Alternative control	Alternative control

<sup>6</sup> An ACS charge is not applicable where it is determined the customer outage was caused by a fault on the network.

Service group/ activities included	Further description	Current classification 2019–2024	Proposed classification 2024–2029
<b>Inspection and auditing services</b>	<p>Activities include:</p> <ul style="list-style-type: none"> <li>inspection of and reinspection of gifted assets or assets that have been installed or relocated by a third party</li> <li>investigation, review and implementation of remedial actions that may lead to corrective and disciplinary action of a third party service provider due to unsafe practices or substandard workmanship</li> <li>auditing of a third party service provider’s work practices in the field</li> <li>re-test at a customer’s installation, where the installation fails the initial test and cannot be connected</li> <li>inspection of private electrical wiring work undertaken by an electrical contractor</li> <li>inspection of privately owned low voltage or high voltage network infrastructure (i.e. privately owned distribution infrastructure located before the meter).</li> </ul>	Alternative control	Alternative control
<b>Provision of training to third parties for network related access</b>	<p>Training services provided to third parties that result in a set of learning outcomes that are required to obtain a distribution network access authorisation specific to a distributor’s network. Such learning outcomes may include those necessary to demonstrate competency in the distributor’s electrical safety rules, to hold an access authority on the distributor’s network and to carry out switching on the distributor’s network. Examples of training might include high voltage training, protection training or working near power lines training.</p>	Alternative control	Alternative control
<b>Authorisation and approval of third party service providers’ design, work and materials</b>	<p>Activities include:</p> <ul style="list-style-type: none"> <li>authorisation or re-authorisation of individual employees and subcontractors of third party service providers and additional authorisations at the request of the third party service providers (excludes training services)</li> <li>acceptance of third party designs and works</li> <li>assessing an application from a third party to consider approval of alternative material and equipment items that are not specified in the distributor’s approved materials list</li> </ul>	N/A	Alternative control
<b>Security lights</b>	<p>Provision, installation, operation and maintenance of equipment mounted on distribution equipment and used for security services, e.g. nightwatchman lights.</p> <p>Note: excludes connection services.</p>	Alternative control	Alternative control
<b>Customer initiated network asset relocations/re-arrangements</b>	<p>Relocation of assets that form part of the distribution network in circumstances where the relocation was initiated by a third party (including a customer).</p>	N/A	Alternative control
<b>Customer requested provision of electricity network data</b>	<p>Provision of data requested by customers or third parties, including requests for electricity network or consumption data outside of legislative obligations</p>	N/A	Alternative control

Service group/ activities included	Further description	Current classification 2019–2024	Proposed classification 2024–2029
<b>Third party funded network alterations or other improvements</b>	Alterations or other improvements to the shared distribution network to enable third party infrastructure (e.g. NBN Co telecommunications assets) to be installed on the shared distribution network.  This does not relate to upstream distribution network augmentation.	N/A	Alternative control
<b>Metering services – activities relating to the measurement of electricity supplied to and from customers through the distribution system (excluding network meters)</b>			
<b>Type 1 to 4 metering services</b>	Type 1 to 4 metering installations <sup>7</sup> and supporting services are competitively available.	Not classified	Not classified
<b>Type 5 and 6 meter maintenance, reading and data services (legacy meters)</b>	Activities include: <ul style="list-style-type: none"> <li>Testing, inspecting, investigating, maintaining or altering existing type 5 or 6 metering installations or instrument transformers</li> <li>Quarterly or other regular reading of metering installations including field visits and remotely read meters</li> <li>Metering data services, including collection, processing, storage and delivery of metering data, the provision of metering data in accordance with regulatory obligations, remote or self-reading at difficult to access sites, and the management of related NMI Standing Data in accordance with the National Electricity Rules (NER).</li> </ul>	Alternative control	Alternative control
<b>Auxiliary metering services (Type 5 to 7 metering installations)</b>	Activities include: <ul style="list-style-type: none"> <li>off-cycle meter reads for type 5 and 6 meters including move in and move out meter reading (type 5 and 6 meters)</li> <li>type 5 meter final read on removed type 5 metering equipment</li> <li>requests to test, inspect and investigate, or alter an existing type 5 or 6 metering installation</li> <li>testing and maintenance of instrument transformers for type 5 and 6 metering purposes and type 5 to 7 non-standard metering services</li> <li>works to re-seal a type 5 or 6 meter due to customer or third party action (e.g. by having electrical work done on site)</li> <li>change distributor load control relay channel on request that is not a part of the initial load control installation, nor part of standard asset maintenance or replacement</li> <li>emergency maintenance of metering equipment not owned by the distributor (contestable meters).</li> </ul>	Alternative control	Alternative control
<b>Type 7 metering services</b>	Administration and management of type 7 metering installations in accordance with the NER and jurisdictional requirements.	Standard control	Standard control

<sup>7</sup> Includes the instrument transformer, as per the definition of a 'metering installation' in Chapter 10 of the NER

Service group/ activities included	Further description	Current classification 2019–2024	Proposed classification 2024–2029
<b>Meter recovery and disposal – type 5 and 6 (legacy meters)</b>	Activities include the removal and disposal of a type 5 or 6 metering installation.	N/A	Alternative control
<b>Distributor arranged outage for purposes of replacing metering</b>	At the request of a retailer or metering coordinator provide notification to affected customers and facilitate the disconnection/reconnection of customer metering installations where a retailer planned interruption cannot be conducted.	N/A	Alternative control
<b>Connection services – services relating to the electrical or physical connection of a customer to the network<sup>8</sup></b>			
<b>Basic connection services</b>	Means a <i>connection service</i> <sup>9</sup> related to a <i>connection</i> (or a proposed connection) between a distribution system and a <i>retail customer's</i> premises (excluding a non-registered <i>embedded generator's</i> premises) in the following circumstances: (a) either: (1) the <i>retail customer</i> is typical of a significant class of retail customers who have sought, or are likely to seek, the service; or (2) the <i>retail customer</i> is, or proposes to become, a <i>micro embedded generator</i> (b) the provision of the service involves minimal or no <i>augmentation, or extension, of the distribution network</i> (c) a <i>model standing offer</i> has been approved by the AER for providing that service as a <i>basic connection service</i> .	N/A	Alternative control
<b>Standard connection services</b>	Means a <i>connection service</i> related to a connection (or a proposed connection) between a distribution system and a retail customer's premises (excluding a non-registered embedded generator's premises) in the following circumstances: (a) either: (1) the <i>retail customer</i> is typical of a significant class of retail customers who have sought, or are likely to seek, the service; or (2) the retail customer is, or proposes to become, a <i>micro embedded generator</i> , and (b) the provision of the service involves extension of the <i>distribution network</i> but not <i>augmentation</i> ; and (c) a <i>model standing offer</i> has been approved by the AER for providing that service as a <i>basic connection service</i> .	N/A	Alternative control

8 Applies to both NER chapter 5 and 5A connections

9 Italics denotes definitions in Chapter 5A of the NER

Service group/ activities included	Further description	Current classification 2019–2024	Proposed classification 2024–2029
<b>Complex connection services</b>	Means a <i>connection service</i> related to a connection (or a proposed connection) between a distribution system and a retail customer's premises in the following circumstances: (a) requires either an extension or augmentation and either: (1) the <i>retail customer</i> seeking the service requires the supply of electricity at high voltage or, if connected at low voltage, has maximum demand in excess of 70 kVA (or 25 kVA where a connection applicant's installation is supplied from the Single Wire Earth Return network); or (2) the <i>retail customer</i> is, or proposes to become, an embedded generator; or (3) the <i>retail customer</i> operates, or proposes to operate energy storage with the capacity to function as an <i>embedded generator</i> or community battery.	N/A	Alternative control
<b>Connection augmentation services</b>	Any shared network enlargement/enhancement undertaken by a distributor which is not an <i>extension</i> .	Standard control	Standard control
<b>Extension</b>	Extension is an enhancement required to connect a power line or facility outside the present boundaries of the distribution network owned or operated by a Network Service Provider	Standard control	Standard control
<b>Negotiated connection services<sup>10</sup></b>	Means a <i>connection service</i> (other than a <i>basic connection service</i> ) for which a DNSP provides a connection offer for a <i>negotiated connection contract</i> .	N/A	Alternative control
<b>Enhanced connection services<sup>11</sup></b>	Other or enhanced connection services provided at the request of a customer or third party that include those that are: <ul style="list-style-type: none"> <li>provided with higher quality of reliability standards, or lower quality of reliability standards (where permissible) than required by the NER or any other applicable regulatory instruments. This includes reserve feeder installation and maintenance</li> <li>in excess of levels of service or plant ratings required to be provided by the distributor.</li> </ul>	N/A	Alternative control
<b>Connection application and management services<sup>12</sup></b>	Works initiated by a customer or retailer which are specific to the connection point. This includes, but is not limited to: <ul style="list-style-type: none"> <li>connection application related services</li> <li>connection point management services.</li> </ul>	N/A	Alternative control

10 Applies to both NER chapter 5 and 5A connections

11 Applies to both NER chapter 5 and 5A connections and includes enhancements for both consumption and export services

12 Applies to both NER chapter 5 and 5A connection

Service group/ activities included	Further description	Current classification 2019–2024	Proposed classification 2024–2029
<b>Connection administration services (formerly Site establishment services)</b>	<p>Activities include, but not limited to:</p> <ul style="list-style-type: none"> <li>• Connection establishment, including liaison with AEMO or market participants for the purpose of establishing NMIs in market systems, for new premises or for any existing premises for which AEMO requires a new NMI and for validation of and updating network load data. This includes processing and assessing requests for a permanently unmetered supply</li> <li>• Alteration, updating and maintenance of NMIs and their associated data in market systems</li> <li>• NMI extinction, processing requests by customers or their agents for permanent disconnection and the extinction of a NMI in market systems</li> <li>• Confirming or correcting metering or network billing information in market B2B or network billing systems, due to insufficient or incorrect information received from retailers or metering providers.</li> </ul>	Alternative control	Alternative control
<b>Construction/ augmentation of private assets as provider of last resort<sup>13</sup></b>	<p>Specialist electrical contracting services provided under provider of last resort conditions. Activities include:</p> <ul style="list-style-type: none"> <li>• private pole installation</li> <li>• construction of private power lines</li> <li>• augmentation of existing private assets.<sup>14</sup></li> </ul>	N/A	Alternative control
<b>Community network upgrades</b>	Network enhancements requested by a collective of customers. Includes activities related to community requests to augment the network to enable higher PV exports, supply high levels of electric vehicle charging or underground existing overhead power lines for reasons of visual amenity.	N/A	Alternative control
<b>Public lighting – lighting services provided in connection with a distribution network</b>			
<b>Public lighting</b>	Includes the provision, construction and maintenance of public lighting and new/emerging public lighting technology.	Alternative control	Alternative control
<b>Unregulated distribution services</b>			
<b>Distribution asset rental</b>	Rental of distribution assets to third parties (e.g. office space rental, pole and duct rental for hanging telecommunication wires etc.).	Not classified	Not classified
<b>Contestable metering support roles</b>	Includes metering coordinator (except where the distributor is the initial metering coordinator), metering data provider and metering provider for meters installed or replaced after 1 December 2017.	Not classified	Not classified
<b>Provision of training to third parties for non-network related issues</b>	Training programs provided to third parties for non-network related issues.	Not classified	Not classified

<sup>13</sup> Provision of these services is subject to the set of controls outlined on the TasNetworks website

<sup>14</sup> Includes rectification of private asset defects

Service group/ activities included	Further description	Current classification 2019–2024	Proposed classification 2024–2029
<b>Non-distribution services — Although this table relates to distribution services, we have included the below non-distribution services for clarity</b>			
<b>Operation and maintenance of isolated distribution networks not part of the NEM</b>	The operation and maintenance of third party owned distribution networks not physically connected to the TasNetworks distribution network. e.g. Hydro Tasmania.	Non-distribution service	Non-distribution service

