

Final Decision

SA Power Networks Electricity Distribution Determination 2025 to 2030 (1 July 2025 to 30 June 2030)

Attachment 13 Classification of services

April 2025

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Inquiries about this publication should be addressed to:

Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601
Email: aer inquiry@aer.gov.au
Tel: 1300 585 165

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List of attachments

This attachment forms part of the Australian Energy Regulator's (AER's) final decision on the distribution determination that will apply to SA Power Networks for the 2025–30 period. It should be read with all other parts of the final decision.

As a number of issues were settled at the draft decision stage or required only minor updates, we have not prepared all attachments. Where an attachment has not been prepared, our draft decision reasons form part of this final decision. The final decision attachments have been numbered consistently with the equivalent attachments to our draft decision.

The final decision includes the following attachments:

Overview

Attachment 1 – Annual revenue requirement

Attachment 2 – Regulatory asset base

Attachment 4 – Regulatory depreciation

Attachment 5 – Capital expenditure

Attachment 7 – Corporate income tax

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13 Classification of services

Service classification determines the nature of economic regulation, if any, applicable to specific distribution services. Classification is important to customers as it determines which network services are included in basic electricity charges, the basis on which additional services are sold, and those services we will not regulate. Our decision reflects our assessment of several factors, including existing and potential competition to supply these services.

We are required to make a decision on the classification of SA Power Networks' distribution services in accordance with the National Electricity Rules (NER).¹ Our decision on the classification of services is set out in the relevant framework and approach paper (F&A). We set out our proposed approach to the classification of distribution services for SA Power Networks in our final F&A paper published in July 2023.²

This final decision relates to potential amendments to the final F&A for SA Power Networks. Our F&A decision applies unless we consider that a material change in circumstances justifies departing from that classification.³

13.1 Final decision

Our final decision is:

- **to reclassify legacy metering services as standard control services (SCS).** This maintains our draft decision, and is in line with our November 2023 Guidance Note⁴ and the recommendations outlined in the Australian Energy Market Commission's (AEMC) August 2023 final report of its metering services review.⁵ SA Power Networks accepted this with its revised proposal.⁶
- **to include data services as a common distribution service, but to amend the definition to improve clarity.** This maintains our draft decision and is consistent with our 2024–29 regulatory determination final decisions.⁷
- **to not accept SA Power Networks' revised proposal to depart from the final F&A Paper and classify EV charging of last resort as an alternative control service**

¹ NER, cl. 6.12.1(1).

² AER, [Final Framework and approach - SA Power Networks 2025-30](#), July 2023.

³ NER, cl. 6.12.3(b).

⁴ AER, [Legacy metering services – Guidance note](#), November 2023, p.1.

⁵ AEMC, [Final Report Review of the Regulatory Framework for Metering Services](#), 30 August 2023, p. i; AER, [Draft Decision Attachment 13 - Classification of services - SA Power Networks - 2025-30 Distribution revenue proposal](#), September 2024, p.1.

⁶ SAPN, [Attachment 13 - Classification of services](#), December 2024, pp. 7, 9.

⁷ AER, [Draft Decision Attachment 13 - Classification of services - SA Power Networks - 2025-30 Distribution revenue proposal](#), September 2024, pp.1, 7-10.

(ACS).⁸ We recommend SA Power Networks explore making an application through the ring-fencing or regulatory sandboxing waiver provisions.

- **to update terminology in connection services sections of SA Power Networks' service classification table** to reflect changes arising from the AEMC's Integrating Energy Storage Systems rule change⁹ and the AER's October 2024 Connection Charge guidelines for electricity customers.¹⁰

We discuss the reasoning for our final decision in section 13.4.

Subject to the changes identified above, our final decision maintains the remainder of the classifications as set in our final F&A paper published in July 2023.¹¹ Appendix A sets out our detailed classification decision. We present changes in our classification approach, since our final F&A, in red text.

13.2 SA Power Networks' revised proposal

In our draft decision we made two adjustments to SA Power Networks' service classification, consistent with our final decisions for the 2024–29 regulatory determinations for the NSW and ACT distribution businesses:

- We accepted the initial proposal to reclassify legacy metering services from ACS to SCS, but did not accept additional wording for legacy metering transition services as a specific activity as it is adequately covered in the legacy metering grouping.
- We included data services as a common distribution service.

In anticipation of SA Power Networks' submission in its revised proposal, we also considered electric vehicle charging infrastructure of last resort services in our draft decision and sought stakeholder views.

SA Power Networks provided a revised proposal with which it:

- Accepted our changes reclassifying legacy metering services from ACS to SCS.
- Did not accept our decision to include data services as a common distribution service.
- Submitted a proposal to regulate electric vehicle charging infrastructure of last resort as an alternative control service.

The below provides further detail on the changes proposed by SA Power Networks in its revised proposal.

13.2.1 Metering services

SA Power Networks accepted our draft decision to reclassify legacy metering services to SCS for the 2025–30 revenue determination. This is in response to recommendations

⁸ SAPN, [Attachment 13 - Classification of services](#), December 2024, pp. 7, 12-20.

⁹ AEMC, [Integrating energy storage systems into the NEM, Rule determination](#), December 2021, pp. 103-4.

¹⁰ AER, [Connection charge guidelines for electricity customers](#), October 2024.

¹¹ AER, [Final Framework and approach - SA Power Networks 2025-30](#), July 2023.

outlined in AEMC’s August 2023 final report on metering services and is in line with our Legacy metering services - guidance note.

SA Power Networks also accepted our draft decision to not include additional wording for legacy metering services required to support the accelerated rollout because it is satisfied that this is covered broadly within the legacy metering grouping.

13.2.2 Data services

Our draft decision amended SA Power Networks’ service classification to include data services as follows:¹²

- *“provision of standardised data sets and/or data that is provided to a distributor, at no cost to the distributor, in accordance with obligations under the rules” as a new common distribution, standard control service; and*
- *“data requests by customers or third parties for the provision of electricity network data beyond standardised data sets or obligations under the rules” as an alternative control service.*

SA Power Networks did not accept our proposed changes to the service classification table for data services.

SA Power Networks expressed concern that our proposed drafting could be interpreted as imposing a new obligation for SA Power Networks to provide any data it receives at no cost to consumers, even in cases where there is no explicit obligation to provide such data.¹³

Specifically, SA Power Networks is concerned that the AEMC’s final rule for accelerating smart meter deployment (28 Nov 2024)¹⁴, which provides for DNSPs to receive power quality data free of charge, could be interpreted as also requiring SA Power Networks to provide this power quality data to customers. SA Power Networks noted that this would require system modifications, which have not been costed in its 2025–30 expenditure forecasts.¹⁵

SA Power Networks further made the point that ECA’s real-time data for customers rule change request does not consider imposing obligations on DNSPs to provide real time data to consumers; rather it requires retailers and metering parties to do so.

SA Power Networks indicated no drafting change is needed for common distribution services in its service classification, as no additional obligations are prescribed under current or proposed rules. SA Power Networks state that DNSPs do have an existing obligation to provide customers, on request, with up to 2 years of historical energy consumption and export data free of charge in accordance with the National Energy Retail Rules (NERR).¹⁶

¹² AER, [Draft Decision Attachment 13 - Classification of services - SA Power Networks - 2025-30 Distribution revenue proposal](#), September 2024, p. 9.

¹³ SAPN, [Attachment 13 - Classification of services](#), December 2024, p. 10.

¹⁴ AEMC, [Accelerating smart meter deployment](#), November 2024

¹⁵ SAPN, [Attachment 13 - Classification of services](#), December 2024, p. 10.

¹⁶ National Energy Retail Rules (NERR), clause 86A.

Therefore, SA Power Networks’ revised proposal retained the ‘common distribution service’ SCS listing as contained within the AER’s final F&A, with the AER’s proposed data services amendment removed. For consistency, SA Power Networks also proposed to remove references to ‘standardised data sets’ within the ACS amendment.¹⁷

13.2.3 Electric vehicle charging infrastructure

SA Power Networks first raised the possibility of providing electric vehicle charging infrastructure (EVCI) of last resort services in October 2022, when it requested changes to the current F&A for the next regulatory period (2025–30). We did not accept this request in our final F&A decision due to the lack of clarity in the proposal and because the network had not engaged with consumers on the issue. SA Power Networks, at the time, agreed with the decision noting *“EV charging is still an emerging service, with some service providers actively working on delivery of EV charging infrastructure”*.¹⁸

As a result of our F&A decision, SA Power Networks did not propose changes to the service classification for EV charging services in its January 2024 regulatory proposal. However, we were later notified that the service would be proposed in SA Power Networks’ revised regulatory proposal. Consequently, our September 2024 draft decision sought stakeholder feedback on the potential classification of EV charging of last resort as a distribution service. We also noted that SA Power Networks could apply for a ring-fencing waiver to enable consideration of EVCI of last resort service over the 2025–30 period.

In its December 2024 revised proposal, SA Power Networks proposed to classify EV charging of last resort as an alternative control service (quoted service) for the 2025–30 regulatory control period. The service is intended to include *“...the provision, construction and maintenance of EVCI requested by a third party, where these services are unable to be reasonably procured by the contestable market”*.

SA Power Networks proposed that this would be predominantly focused on the delivery of kerbside EV charging, with EV chargers installed on the networks’ existing infrastructure (for example, Stobie poles and streetlight columns), or be freestanding.¹⁹ This service would be fully paid by the requesting customer such as a local council. The sale of electricity to the end use customer would be provided by the retailer or charge point operator.

SA Power Networks proposed that it would service the EV charger over the life of the asset, and at end of the life of the asset (which the network expects to be 5 years), a market assessment would be undertaken to provide the option for a commercial EV charging provider to take over the provision of the EV charging service.²⁰

¹⁷ SAPN, [Attachment 13 - Classification of services](#), December 2024, p. 11.

¹⁸ SAPN, [Submission – Preliminary position paper F&A 2025-30](#) – April 2023

¹⁹ SAPN, [Attachment 13 - Classification of services](#), December 2024, p. 14.

²⁰ SAPN, [Attachment 13 - Classification of services](#), December 2024, p. 14.

13.3 AER's Assessment approach

Our assessment approach is guided by the Electricity Distribution Service Classification Guideline 2022 (service classification guideline)²¹, which in turn applies the principles for service classification set out in the NER.²²

A high-level summary of our three-step process for classification of services, includes:

1. We must first identify whether a service is a 'distribution service'. The NER defines a distribution service as a service provided by means of, or in connection with, a distribution system.²³ A distribution system includes a 'distribution network, together with the connection assets associated with the distribution network, which is connected to another transmission or distribution system. It also includes a stand-alone distribution system in a regulated SAPS'.²⁴
2. We consider whether economic regulation of the service is necessary,²⁵ having regard to the form of regulation factors.²⁶ When we do not consider economic regulation is warranted, we will not classify the service and it will remain an unregulated distribution service. If economic regulation is necessary, we consider whether to classify the service as either a direct control service or a negotiated distribution service.
3. When we consider that a service should be classified as a direct control service, we then further classify it as either a standard control or alternative control service.

Further detail of our assessment approach for classifying a service is set out in Section 2 of our final F&A for SA Power Networks.²⁷

13.3.1 Interrelationships

In assessing what services we classify, we are setting the basis for what charges can be made for those services. To allow charges to be recovered for SCS, assets associated with delivering those services are added to the regulatory asset base (RAB). A RAB may also be constructed for the capital costs associated with an ACS. There will usually be operating costs associated with the provision of a service as well.

The assets that make up the RAB and operating costs that relate to any particular service, form the bulk of the costs of the distributor's proposal that need to be assessed for recovering revenues through charges for their services. Classification of services will therefore influence all revenue components of our decision.

We set the revenues the distributor may collect from customers to recover their asset financing (capital) and operating costs. That revenue is recovered through tariffs the distributor develops to charge to its customers. The regulatory regime establishes incentives

²¹ AER, [Electricity Distribution Service Classification Guideline](#), August 2022.

²² NER cls. 6.2.1 and 6.2.2.

²³ NER, chapter 10, glossary.

²⁴ NER, chapter 10, glossary.

²⁵ AER, [Electricity Distribution Service Classification Guideline](#), August 2022

²⁶ NER, cl. 6.2.1(c).

²⁷ AER, [Final Framework and approach - SA Power Networks 2025-30](#), July 2023, pp. 3-12.

such as the Efficiency Benefit Sharing Scheme and the Capital Expenditure Sharing Scheme to encourage the provision of services as efficiently as possible. It also establishes incentives for maintaining reliability (Service target performance incentive scheme) so that cost reductions are not associated with lower reliability. All of these factors interrelate with each other. We must be cognisant of these interrelationships when we make our determinations.

13.4 Reasons for our final decision

This section sets out the reasons for our final decision on the distribution service classifications for SA Power Networks.

13.4.1 Metering services

Our reasons for changing the classification of legacy metering services to SCS from ACS are set out in our draft decision. SA Power Networks accepted our draft decision.²⁸

13.4.2 Data services

Our final decision is to maintain the substance of our draft decision to amend the common distribution service definition to explicitly include ‘data services’ and to specify the provision of standardised data sets, and other data in accordance with NER obligations.

However, we have amended the definition to provide additional clarity, in response to concerns raised in SA Power Networks’ revised proposal, that including this item in the service classification table is not intended to impose additional obligations beyond those set out in the energy rules. For consistency, our final decision also amends the service description for the provision of electricity network data under alternative control services (see Table 13.1). Our final decision to amend SA Power Networks’ service classification table takes into account the progress, since our draft decision, of the AEMC’s metering review,²⁹ while still seeking to maintain consistency with the NSW and ACT 2024–29 regulatory determinations. A key motivation of our draft decision for the SA Power Networks, Energex and Ergon Energy 2025–30 regulatory determinations was to maintain consistency in the service grouping definitions across DNSPs.³⁰

We approved these amendments in our final decisions for NSW and ACT 2024–29 regulatory determinations noting that they were consistent with the AEMC’s metering review by improving clarity around what data will be provided on request under the common distribution service and what may be charged for ancillary services.

Another motivation for adjusting the definitions of the SCS and ACS service groupings is to maintain the relevance of the service groupings within the changing technological landscape. By making data services explicit in the definition of common distribution services, we are recognising the increased importance of data for consumers as network distribution systems evolve. This is in line with reforms to improve network visibility and data sharing to enable a

²⁸ AER, [Draft Decision Attachment 13 - Classification of services - SA Power Networks - 2025-30 Distribution revenue proposal](#), September 2024, p. 7.

²⁹ AEMC, [Real-time data for consumers, Directions Paper](#), 30 January 2025.

³⁰ NER, cl. 6.12.3(c)

more dynamic grid and to spread the benefits of the transition to consumers, including the AEMC’s metering services review.³¹

Table 13.1 Final decision amendment to the service classification table for data services

Service group	Description*	Classification
Common distribution services	<i>The provision of standardised data sets, and/or other data, that is provided to a distributor, at no cost to the distributor, where the data is required to be provided free of charge in accordance with obligations under the Rules.</i>	Standard control
Ancillary network service – Provision of electricity network data	<i>Data requests by customers or third parties for the provision of electricity network data beyond standardised data sets or obligations to provide the data free of charge under the Rules.</i> <i>Additional services related to network data requests including provision of advice and interpretation.</i>	Alternative control

*Red strike-out text reflects deletion of draft decision text. Green text reflects addition to draft decision text.

The amendment does not create a new obligation to provide any data received free of charge to customers

In our final decision we have amended the definition of data services to address SA Power Networks’ concerns that this creates a new obligation (outlined in section 13.2.2). We have amended the definition in common distribution services by replacing ‘*that is provided to the distributor, at no cost to the distributor*’ with ‘*where the data is required to be provided free of charge*’

The amendment makes it clear that any obligation to provide data to customers is linked to the National Electricity Retail Rules, which currently require networks to provide at least 2 years historical consumption and export data on request, free of charge.³² This will only change if there is a change in the rules that affect distribution businesses.

Our amendment also recognises that the likely outcome of the AEMC rule change³³ will not impose a further obligation on DNSPs to provide data to consumers. Nevertheless, our amendment provides scope to accommodate future rule changes with respect to DNSP data service provision.

Stakeholder feedback

We requested stakeholder feedback in our draft decision. South Australian Council of Social Service (SACOSS) is supportive of our amendments to SA Power Networks’ service classification for metering ‘data services’. SACOSS considers the amendment for data

³¹ AEMC, [Final Report: Review of the regulatory framework for metering services](#), August 2023, p. ii.

³² National Energy Retail Rules (NERR), clause 86A.

³³ Energy Consumers Australia, [Rule change request: access to real time data for consumers and their authorised representatives](#), 24 June 2024.

services provides sufficient scope to accommodate the relevant Rules on data as determined by the AEMC as part of its consultation on Energy Consumers Australia’s (ECA’s) rule change request. SACOSS further states that SA Power Networks will be required to comply with the AEMC’s decision on the content, application and scope of the proposed rules on data once the rule change is made, and the AER’s proposed amendments provide sufficient flexibility to allow for that to be implemented.³⁴

13.4.3 Electric vehicle charging infrastructure

Our final decision is to not accept SA Power Networks’ proposal to provide EVCI of last resort services as an alternative control service.

We are open to the idea of SA Power Networks providing EVCI of last resort services in the future, where there is a genuine need to assist the transition to electric vehicles and the energy transition more broadly. However, SA Power Networks has not demonstrated a material change in circumstances that would justify moving away from the F&A for the 2025–30 regulatory determination.

While we can see merits in SA Power Networks’ provision of last resort services, the lack of stakeholder engagement and the limited information provided in the proposal means that we cannot make an informed decision at this stage. Information which we would require includes:

- Evidence to support the existence of a market failure in the provision of public kerbside EVCI in certain areas of South Australia.
- Analysis around the benefits versus the costs of SA Power Networks provision of these services, including evidence to substantiate the claims of cost-effective provision and estimates of its ACS quoted service.
- Further detail on the proposed ‘last resort’ mechanism, including how the competitive tendering process to find underserved areas and the process for transferring the service back to a third-party provider would work in practice.

We also considered whether SA Power Networks’ provision of EVCI services would fall within the definition of a distribution service. Based on the material before us, it is not clear that this service would be a distribution service. However, we did not need to reach a conclusion on this question as we have not found a material change in circumstances that would justify moving away from the F&A for the 2025–30 regulatory determination.

We would be open to SA Power Networks exploring this potential service further by making an application via the [ring-fencing](#) waiver provisions. Further, we note that trial waivers through the [Energy Innovation Toolkit](#) are also available for innovative trials. These avenues provide regulatory flexibility for DNSP’s such as SA Power Networks to consider and test involvement in markets that are beyond the distribution network.

³⁴ SACOSS, [Submission on SAPN’s revised proposal and draft decision 2025-30](#), January 2025, pp. 7, 30.

13.4.3.1 Assessment of a material change in circumstances

The NER requires that the classification of services, which identify the direct control services and negotiated services that a DNSP can provide over the regulatory period, be settled in the final F&A. This was completed in June 2023 for SA Power Networks.

If a network such as SA Power Networks wants to change or introduce a service, it can propose a change in its initial or revised proposal. In order to depart from the service classification in the F&A, the proposed change must be justified by a material change in circumstances (Clause 6.12.3(b)).

SA Power networks' proposal to provide EVCI of last resort as an alternative control service represents a change in its service classification. SA Power Networks justified the change by noting that:

The landscape has changed significantly since the consultation on and publication of the AER's final F&A for SA Power Networks. There are presently around 10,000 EVs in South Australia, a significant increase from approximately 2,000 in 2022. The South Australian Government has also predicted over 250,000 EVs on South Australian roads by 2030.

SA Power Networks is continuing to engage with the South Australian Government about our ability to provide a 'last resort' EV charging service where it might be required to assist with this expansion. We have also received direct requests from councils to assist with the installation of EV charging infrastructure where they are unable to procure the service in the contestable market.

Given the rapid growth in EVs in South Australia and broad support received from stakeholders for a provider of last resort service, we believe this constitutes a material change in circumstances that justifies departure from the final F&A published in July 2023.³⁵

We consider that this general description is not sufficient evidence to justify a change in the service classification. SA Power networks has not evidenced how the general demand for EVCI described above is a material change in circumstances between the F&A paper and its revised proposal that justifies departing from the classification set out in the F&A paper.

The revised proposal does not appear to be a substantial alteration from the circumstances that we considered at the F&A stage. By way of comparison, SA Power Network's [original proposal](#) (p 52) identified that EV sales in 2030 were estimated to be approximately 200,000 (vs 250,000 in the [revised proposal](#)), with EV uptake in 2023–24 to be less than 10,000 (vs 10,000 in the [revised proposal](#)).³⁶

Based on stakeholder comments in [SA Power Network's revised proposal](#), it appears that councils acknowledged "there is an existing gap in the market" and that at least one council may require such services in the future.³⁷ However, given the nature of last resort services, it is likely that the demand for the proposed service will not be known until after the commencement of the regulatory period. At present, demand remains uncertain.

³⁵ SAPN, [Attachment 13 – Classification of services](#), December 2024, p. 20

³⁶ SAPN, [2025-30 Regulatory Proposal Overview](#), January 2024, p. 52
SAPN, [Attachment 13 – Classification of services](#), December 2024, p. 12, 16, 20

³⁷ SAPN, [Attachment 13 - Classification of services](#), December 2024, p. 17

13.4.3.2 Assessment of the merits of the proposal

SA Power Networks did not provide sufficient information to support its proposal that the service should be classified as an ACS. However, we note that some of the concepts of the last resort service proposed by SA Power Networks are novel and attractive.

SA Power Networks provided an outline of a methodology for finding underserved areas, which would involve requestors, such as local councils, conducting competitive tenders. If no 'reasonable' submissions are received SA Power Networks could then provide the service.³⁸ While this is a compelling approach to finding areas that are potentially underserved, SA Power Networks has not provided detail to demonstrate how this would work in practice. We see that there are risks that the network could extend its presence in segments of the public EVCI market beyond 'last resort' without us having an adequate understanding of the tendering and assessment process. This includes understanding what would constitute a 'reasonable' submission or what the agreed parameters would be for a 'last resort' service.

SA Power Networks' proposal included a process to conduct a market assessment at the end of the life of the asset, estimated to be 5 years, to transition the asset to a third-party provider. This process is intended to provide surety that the service does not hinder the long-term growth of the EV charging market.³⁹ This proposed mechanism is appealing, but the proposal lacks detail on how the market assessment would be conducted in practice. Moreover, no information was provided to support the estimated 5-year life span of the asset and how this might affect the pricing schedule faced by consumers. For instance, if the technical life is longer than 5 years, the network might seek to depreciate the asset at a faster rate, which would affect the pricing schedule. This means there is a level of uncertainty about the proposal that we cannot accept.

SA Power Networks proposed that the service be on a user pays basis (alternative control service). This alleviates some concern around the equity of DNSP provision of public EVCI. However, SA Power Networks has not provided details on costs that substantiate its claims of cost-effective provision. Moreover, SA Power Networks has not provided estimates of its ACS quoted service.

Lastly, SA Power Networks did not assess the net benefit to consumers (either quantitatively or qualitatively) and engaged only with selected councils (Mitcham and Charles Sturt) and the Royal Automobile Association of South Australia (RAA) rather than broadly with consumers.⁴⁰

We consider that SA Power Networks has not provided sufficient information that would make the case that the provision of this service by SA Power Networks is in the long-term interest of consumers. We would require further detail to be satisfied that the risks to consumers of SA Power Networks provided services in the emerging public kerbside EVCI market is low.

³⁸ SAPN, [Attachment 13 - Classification of services](#), December 2024, p. 15.

³⁹ SAPN, [Attachment 13 - Classification of services](#), December 2024, p. 16.

⁴⁰ SAPN, [Attachment 13 - Classification of services](#), December 2024, p. 18.

13.4.4 Connection Services

We also made updates to service groupings related to connection services to correct for changes in terminology that were introduced with the Integrating energy storage systems into the NEM rule change⁴¹ (relevant amendments were introduced in June 2024) and the AER's updated Connection Charge guidelines (published in October 2024).⁴²

We consider that the commencement of the amendments introduced by the Integrating energy storage systems into the NEM rule change and the AER's updated Connection charge guidelines (published in October 2024) are a material change in circumstance that justifies departing from the service classifications as set out in the final F&A paper (clause 6.12.3(b) of the NER).

We consider the proposed amendments in terminology will not alter the meaning of the connection policies or impact connecting customers and/or stakeholders with respect to determining charges for connection services. We therefore asked SA Power Networks to consider making similar terminology changes to its connection policy so that the terminology is consistent with our connection guidelines. SA Power Networks revised its connection policy in response.

Table 13.2 Final decision amendment to the service classification table for connection terminologies

Service group	Description*	Classification
Basic connection services	Means a connection service 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 DER provider's premises) in the following circumstances: (a) either: 1. the retail customer 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 micro embedded generator resource operator; and	Premises Connections = Standard control + customer contributions
Connection application and management services	<ul style="list-style-type: none"> calculation of a site specific distribution loss factor on request in respect of a generating distribution connected unit up to 10 MW or a connection point for an end-user with actual or forecast load up to 40 GWh per annum capacity, as per clause 3.6.3(b1) of the NER 	Alternative control
Access permits, oversight and facilitation	<ul style="list-style-type: none"> facilitation of generator distribution connected unit connection and operation on the network. 	Alternative control

*Red strike-out text reflects deletion of draft decision text. Green text reflects addition to draft decision text.

⁴¹ AEMC, [Integrating energy storage systems into the NEM, Rule determination](#), December 2021, pp. 103-4.

⁴² AER, [Connection charge guidelines for electricity customers](#), October 2024.

Shortened forms

Term	Definition
ACS	Alternative control service
ASP	Accredited Service Provider
AEMC	Australian Energy Market Commission
AER	Australian Energy Regulator
DER	Distributed energy resources
DNSP or Distributor	Distribution Network Service Provider
ECA	Energy Consumers Australia
EV	Electric vehicle
EVCI	Electric vehicle charging infrastructure
F&A	Framework and Approach
Guidance note	Legacy metering services - guidance note
NEM	National electricity market
NER or the Rules	National Electricity Rules
NERR	National Energy Retail Rules
PQD	Power Quality Data
RAA	Royal Automobile Association of South Australia
RAB	Regulatory asset base
SACOSS	South Australian Council of Social Service
SAPN	SA Power Networks
SAPS	Stand-alone power system
SCS	Standard control service

Appendix A: AER final decision on service classification of SA Power Networks' distribution services 2025–30 (Mark-up)

Red mark-up: AER's proposed amendments in the Final decision

Service Group	Further Description	Current classification 2020-25	Proposed classification 2025–30
Common distribution service — use of the distribution network for the conveyance/flow of electricity (including the services relating to network integrity)			
Common distribution service	<p>The suite of activities that includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> the planning, design, repair, maintenance, construction, and operation of the distribution network the relocation of assets that form part of the distribution network but not relocations requested by a third party (including a customer) ongoing inspection of private electrical works (not part of the shared network) required under legislation for safety reasons works to fix damage to the network (including emergency recoverable works caused by a customer or third party) support for another network during an emergency event procurement and provision of network demand management activities for distribution or system reliability, efficiency or security purposes the provision of standardised data sets, and/or other data, where the data is required to be provided free of charge in accordance with obligations under the Rules.⁴³ training internal staff and contractors delivering direct control services 	Standard Control	Standard Control

⁴³ Rules means the National Electricity Rules or the National Energy Retail Rules.

Service Group	Further Description	Current classification 2020-25	Proposed classification 2025–30
	<ul style="list-style-type: none"> activities related to 'shared asset facilitation' of distributor assets⁴⁴ emergency disconnect for safety reasons and work conducted to restore a failed component of the distribution system to an operational state upon investigating a customer outage bulk supply point metering – activities relating to monitoring the flow of electricity through the distribution network. rectification of simple customer fault (e.g. fuse) relating to a life support customer or other critical health and safety issues that the distributor is able to address Rectification of simple customer faults where: <ol style="list-style-type: none"> 1) the need for rectification work is discovered in the course of the provision of distribution services 2) the work performed is the minimum required to restore safe supply 3) the work can be performed in less than thirty minutes and does not normally require a second visit. establishment and maintenance of national metering identifiers (NMI) in market and/or network billing systems, and other market and regulatory obligations investigation of customer-reported network faults work related to a regulated stand-alone power system (SAPS) deployment, operation and maintenance (including fault and emergency repairs)⁴⁵, and customer conversion activities. <p>Such services do not include a service that has been separately classified including any activity relating to that service.</p>		

⁴⁴ 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.

⁴⁵ Includes simple customer fault rectification on generation service of regulated SAPS

Service Group	Further Description	Current classification 2020-25	Proposed classification 2025–30
Connection Services—services relating to the electrical or physical connection of a customer to the network⁴⁶			
Basic connection services	<p>Means a connection service 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 DER provider's premises) in the following circumstances:</p> <p>(b) either:</p> <ol style="list-style-type: none"> the retail customer is typical of a significant class of retail customers who have sought, or are likely to seek, the service; or the retail customer is, or proposes to become, a micro embedded generator resource operator; <p>(c) the provision of the service involves minimal or no augmentation of the distribution network; and</p> <p>(d) a model standing offer has been approved by the AER for providing that service as a basic connection service.</p>	Premises Connections = Standard control + customer contributions	Premises Connections = Standard control + customer contributions
Standard connection services	Means a connection service (other than a basic connection service) for a particular class (or sub-class) of connection applicant and for which a model standing offer has been approved by the AER.	<p>Premises connection = Alternative control</p> <p>Extensions and Augmentations = Standard control + customer contribution</p>	<p>Premises connection = Alternative control</p> <p>Extensions and Augmentations = Standard control + customer contribution</p>

⁴⁶ Applies to both NER chapter 5 and 5A connections

Service Group	Further Description	Current classification 2020-25	Proposed classification 2025–30
Negotiated connection services	Means a connection service (other than a basic connection service) for which a DNSP provides a connection offer for a negotiated connection contract.	Premises connections = Alternative control Extensions and Augmentations = Standard control + customer contributions	Premises connections = Alternative control Extensions and Augmentations = Standard control + customer contributions
Enhanced ⁴⁷ connection services	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"> • 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; • In excess of levels of service or plant ratings required to be provided by SA Power Networks; or • Other additional customer dedicated connection lines / assets 	Alternative control	Alternative control
Connection application and management services	Works initiated by a customer or retailer which are specific to the connection point. Includes, but is not limited to: <ul style="list-style-type: none"> • connection application related services • de-energisation • re-energisation • temporary connections (of a size less than the shared network augmentation threshold) as a basic connection service e.g. builder's supply, fetes, etc. 	Alternative control	Alternative control

⁴⁷ Applies to both NER chapter 5 and 5A connections and includes enhancements for both consumption and export services.

Service Group	Further Description	Current classification 2020-25	Proposed classification 2025–30
	<ul style="list-style-type: none"> remove or reposition connection overhead service line replacement – customer requests the existing overhead service to be replaced (e.g. as a result of a point of attachment relocation). No material change to load protection and power quality assessment supply enhancement (e.g. upgrade from single phase to three phase) customer requested change requiring secondary and primary plant studies for safe operation of the network (e.g. change protection settings) upgrade from overhead to underground service rectification of illegal connections or damage to overhead or underground service cables calculation of a site specific distribution loss factor on request in respect of a generating distribution connected unit up to 10 MW or a connection point for an end-user with actual or forecast load up to 40 GWh per annum capacity, as per clause 3.6.3(b1) of the NER power factor correction. 		
Metering Services ⁴⁸ — activities relating to the measurement of electricity supplied to and from customers through the distribution system (excluding network meters)			
Type 1 to 4 metering services	Type 1 to 4 metering installations and supporting services are competitively available.	Unregulated	Unregulated

⁴⁸ SA Power Networks will continue to be responsible for type 5 and 6 meters until they are replaced (and entitled to levy associated charges). We refer to these meters as 'legacy meters'. New meters (that will be type 1 to 4 meters) installed from 1 December 2017 are referred to as 'contestable meters'.

Service Group	Further Description	Current classification 2020-25	Proposed classification 2025–30
Type 5 and 6 meter installation and provision (prior to 1 December 2017)	Recovery of the capital cost of type 5 and 6 metering equipment installed (including metering with internally integrated load control devices)	Alternative control	Alternative control Standard control services
Type 5 and 6 meter maintenance, reading and data services (legacy meters)	<p>Activities include:</p> <ul style="list-style-type: none"> • Meter maintenance covers works to inspect, test, and maintain metering installations. • Meter reading refers to quarterly or other regular reading of a metering installation including field visits and remotely read meters. • Metering data services includes for example: services that involve the 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 relevant NMI Standing Data in accordance with the NER. • Legacy metering transition services required to support the accelerated replacement of legacy meters, including for example the development of the legacy metering retirement plan. 	Alternative control	Alternative control Standard control services
Type 7 metering services	Administration and management of type 7 metering installations in accordance with the NER and jurisdictional requirements. Includes the processing and delivery of calculated metering data for unmetered loads, and the population and maintenance of load tables, inventory tables and on/off tables.	Standard control	Standard control
Auxiliary metering services (Type 5 to 7 metering installations)	<p>Activities include:</p> <ul style="list-style-type: none"> • Off-cycle meter reads for type 5 and 6 meters. • Requests to test, inspect and investigate, or alter an existing type 5 or 6 metering installation. • Testing and maintenance of instrument transformers for type 5 and 6 metering purposes. • Type 5 to 7 non-standard metering services. 	Alternative control	Alternative control

Service Group	Further Description	Current classification 2020-25	Proposed classification 2025–30
	<ul style="list-style-type: none"> 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). 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. 		
Emergency supply restoration in relation to metering equipment not owned by the distributor (contestable metering)	Customer or third party request to restore power to a customer's premises due to metering equipment not owned by the distributor.	Alternative control	Alternative control
Meter recovery and disposal – type 5 and 6 (legacy meters)	<p>Activities include the removal and disposal of a type 5 or 6 metering installation:</p> <ul style="list-style-type: none"> At the request of the customer or their agent, where an existing type 5 or 6 metering installation remains installed at the premises and a replacement meter is not required. At the request of the customer or their agent, where a permanent disconnection has been requested where it has not been removed and disposed of by the incoming metering provider. 	Alternative control	Alternative control
Third party requested outage for purposes of replacing a meter	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.	Alternative control	Alternative control
Network ancillary services – customer and third party initiated services related to common distribution services			
Access permits, oversight and facilitation	<p>Activities include:</p> <ul style="list-style-type: none"> A distributor issuing access permits or clearances to work to a person authorised to work on or near distribution systems including high and 	Alternative control	Alternative control

Service Group	Further Description	Current classification 2020-25	Proposed classification 2025–30
	<p>low voltage.</p> <ul style="list-style-type: none"> • A distributor issuing confined space entry permits and associated safe entry equipment to a person authorised to enter a confined space. • A distributor providing access to switch rooms, substations and other network-equipment to a non-LNSP party who is accompanied and supervised by a distributor's staff member. May also include a distributor providing safe entry equipment (fall-arrest) to enter difficult access areas. • 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. • Facilitation of generator distribution connected unit connection and operation on the network. • Facilitation of activities within clearances of distributor's assets, including physical and electrical isolation of assets. 		
Network safety services	<p>Examples include:</p> <ul style="list-style-type: none"> • provision of traffic control and safety observer services by the distributor where required⁴⁹ • fitting of tiger tails or aerial markers • high load escorts • third party request for de-energising wires for safe approach • 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 	Alternative control	Alternative control

⁴⁹ When provided in relation to the distribution system or future distribution system

Service Group	Further Description	Current classification 2020-25	Proposed classification 2025–30
	caused impact on the network. ⁵⁰		
Sale of approved materials or equipment	Includes the sale of approved materials/equipment to third parties for connection assets that are gifted back to the DNSP become part of the shared distribution network.	Alternative control	Alternative control
Notices of arrangement and completion notices	<p>Examples include:</p> <ul style="list-style-type: none"> • 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 but not limited to: receiving and checking subdivision plans, copying subdivision plans, checking and recording easement details, site visits, assessing supply availability, liaising with developers if errors or changes are required, and preparing notifications of arrangement. • Provision of a completion notice (other than a notice of arrangement). This applies where the real estate developer requests the distributor to provide documentation confirming progress of work. Usually associated with discharging contractual arrangements (e.g. progress payments) to meet contractual undertakings. 	Alternative control	Alternative control
Rectification works to maintain network safety	Activities include issues identified by the DNSP and work involved in managing and resolving pre-summer bushfire inspection customer vegetation defects or aerial mains where the customer has failed to do so.	Alternative control	Alternative control
Customer requested planned interruption	<p>Examples include:</p> <ul style="list-style-type: none"> • Where the customer requests to move a distributor planned interruption, and agrees to fund the additional cost of performing this distribution service outside 	Alternative control	Alternative control

⁵⁰ An ACS charge is not applicable where it is determined that the customer outage was caused by a fault on the network

Service Group	Further Description	Current classification 2020-25	Proposed classification 2025–30
	<p>of normal business hours.</p> <ul style="list-style-type: none"> Customer initiated network outage (e.g. to allow customer and/or contractor to perform maintenance on the customer's assets, work close to or for safe approach, which impacts other networks users). 		
Attendance at customers' premises to perform a statutory right where access is prevented	A follow up attendance at a customer's premises to perform a statutory right where access was prevented or declined by the customer on the initial visit. This may include the costs of arranging, and the provision of, a security escort or police escort (where the cost is passed through to the distributor).	Alternative control	Alternative control
Inspection and auditing services	<p>Activities include:</p> <ul style="list-style-type: none"> inspection and reinspection by a distributor of gifted assets or assets, installed by a third party 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 auditing of a third party service provider's work practices in the field after hours examination and/or testing of the consumer mains and main switchboard prior to initial energisation (upon request) after hours visual examination of an electrical installation to reconnect it to a source of electricity (upon request) re-test at a customer's installation, where the installation fails the initial test and cannot be connected or has been disconnected for more than 12 months or disconnected for safety reasons. 	Alternative control	Alternative control
Provision of training to third parties for network related access	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	Alternative control	Alternative control

Service Group	Further Description	Current classification 2020-25	Proposed classification 2025–30
	network. Examples of training might include high voltage training, protection training or working near power lines training.		
Authorisation and approval of third party service providers design, work and materials	<p>Activities include:</p> <ul style="list-style-type: none"> • 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). • Acceptance of third party designs and works. • 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. 	Alternative control	Alternative control
Security lights	<p>Provision, installation, operation and maintenance of equipment mounted on the distribution equipment used for security services, e.g. nightwatchman lights</p> <p>Note: excludes connection services</p>	Alternative control	Alternative control
Customer initiated or triggered network asset relocations/re-arrangements	Relocation of assets that form part of the distribution network in circumstances where the relocation was initiated by a third party (including a customer), or triggered by a customer's non-compliance with network safety or security standards (such as network encroachments)	Alternative control	Alternative control
<p>Provision of electricity network data</p> <p>Customer requests for electricity data and energy advice</p>	<ul style="list-style-type: none"> • Data requests by customers or third parties for the provision of electricity network data beyond obligations to provide the data free of charge under the Rules. including requests for the provision of electricity network data or consumption data outside of legislative obligations. • Additional services related to network data requests including provision of advice and interpretation. 	Alternative control	Alternative control

Service Group	Further Description	Current classification 2020-25	Proposed classification 2025–30
Third party funded network alterations or other improvements	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.	Alternative control	Alternative control
Public Lighting Services - lighting services provided in connection with a distribution network			
Public Lighting	Includes provision, construction and maintenance of public lighting and emerging public lighting technology.	Alternative control	Alternative control
Unregulated Distribution Services - (non-exhaustive list)			
Distribution asset rental	Rental of distribution assets to third parties (e.g. office space rental, pole and duct rental for hanging telecommunication wires etc.).	Unregulated	Unregulated
Contestable metering support roles	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.	Unregulated	Unregulated
Type 5 and 6 meter data management to other electricity distributors	The provision of type 5 and 6 meter data management to other electricity distribution network service providers.	Unregulated	Unregulated
Provision of training to third parties for work not associated with common distribution services nor network services	Training programs provided to third parties for non-network related issues	Unregulated	Unregulated