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

30 October 2026

Kami Kaur
Executive General Manager, Networks
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Dear Kami

Framework and Approach for TasNetworks' 2029-2034 determinations

The next regulatory determinations for TasNetworks' distribution and transmission networks are due to be made by the Australian Energy Regulator (**AER**) in early 2029. As the first step in the revenue setting process, TasNetworks requests that the AER develop a replacement Framework and Approach (**F&A**) paper to apply to both networks for the regulatory control period commencing 1 July 2029 and concluding 30 June 2034.

The F&A for TasNetworks' 2024–2029 regulatory control period was finalised over four years ago, in July 2022. Since then, the operating and regulatory environment for network service providers has continued to evolve apace, including changes in consumers' expectations and the ways in which customers and third parties interact with networks, as well as changes to the National Electricity Rules and National Electricity Objective.

Several of the new services that TasNetworks is seeking to provide in the 2029–2034 regulatory control period in response to those changes can currently only be provided under time-limited ring-fencing waivers. However, a new regulatory control period and a new F&A provide an opportunity to consider whether these arrangements should be recognised in the service classification framework for the 2029–2034 regulatory control period, in the interests of providing greater regulatory clarity and a more enduring basis for the provision of these services by TasNetworks.

Distribution Network

When determining the F&A that will apply to TasNetworks in the 2029–2034 regulatory control period, we anticipate that the AER will, as far as possible, adopt the baseline services set out in its Electricity Distribution Service Classification Guideline. In addition to those services, we propose the addition of three new services:

- registration of private underground services on public land with Before You Dig Australia, to be classified as an alternative control service, allowing TasNetworks to continue

providing this safety service and recovering the cost from the customers who benefit from the service, once the ring-fencing waiver granted to enable TasNetworks to provide this service currently expires on 30 June 2029

- rental of distribution assets for electric vehicle charging infrastructure (**EVCI**), to be classified as a negotiated distribution service, offering contestable providers of EVCI access to distribution network assets on fairer and more transparent terms than the current unregulated arrangements, consistent with the AER's recent Victorian decisions
- leasing of spare capacity in distributed battery energy storage systems (**BESS**), to be treated as an unclassified distribution service, enabling excess capacity in a BESS installed and operated by TasNetworks to be made available to third parties without the need for a ring-fencing waiver, noting that a class waiver currently in place allowing distribution network service providers (**DNSPs**) to lease spare battery capacity is restricted to community batteries funded under the Australian Government's Community Batteries for Household Solar Programme.

We also propose a change of service classification for Type 5 and 6 meter maintenance, reading and data services and the recovery and disposal of these meters from an alternative control service (**ACS**) to a standard control service (**SCS**). With less than 1,000 consumers expected to have legacy meters still in service by the end of the current regulatory control period, continuing to recover the largely fixed costs of reading and supporting these meters from such a small and declining customer base would place a disproportionate cost burden on those customers. Reclassifying these services from ACS to SCS will enable the efficient recovery of residual legacy metering costs across the broader customer base, while maintaining the provision of legacy metering services until they are retired.

The case for each proposed change is set out in Attachment 1 - Proposed Framework and Approach Variations. Otherwise, we propose that the forms of control, incentive schemes and forecast depreciation approach for the distribution network applying to TasNetworks' current regulatory control period be retained for the 2029–2034 regulatory control period and seek the AER's indication of how it will apply its Expenditure Forecast Assessment Guideline to our proposal.

Transmission Network

We consider the incentive schemes currently applying to TasNetworks' transmission network remain appropriate for the 2029-2034 regulatory control period, including the modified capital expenditure sharing scheme arrangements for Stage 1 of the North West Transmission Developments. We note that by January 2027 the AER is required to revoke and substitute TasNetworks' revenue determination for the 2024-2029 regulatory control period to align the service component of the transmission network service provider performance framework with version 6 of the Service Target Performance Incentive Scheme.

Engagement

The views of our customers and stakeholders are central to our proposals for the 2029-2034 regulatory control period, and this request for a new F&A has been informed by engagement activities that commenced in early 2026. This includes discussion of service classification with

our Stakeholder Advisory Group, our Local Government Forum and industry participants. We will continue to explore the needs and preferences of our customers and stakeholders as we develop our revenue and regulatory proposals. Information on our engagement and the views raised by stakeholders is provided in Attachment 2 - Framework and Approach Engagement Summary Report.

Evolving Energy

We also note several matters currently under consideration by governments and market bodies that may give rise to further service classification requirements that are not sufficiently advanced to propose changes. These include:

- the Australian Energy Market Commission (**AEMC**)'s Electricity Network Review that may have implications for the regulation of transmission and distribution network services
- the AEMC's draft determination in response to the Commonwealth Government Department of Climate Change, Energy, the Environment and Water rule change request that would enable distribution network service providers to provide electric vehicle charging infrastructure
- the Commonwealth Consumer Energy Resources Taskforce's recommendation in December 2025 that DNSPs should be assigned the responsibility and accountability to undertake Distribution System Operator activities
- the regulatory treatment of new connections for emerging large loads such as data centres, on which the Australian Government has foreshadowed the implementation of national standards
- changes to the Tasmanian Electrical Safety Act that may require TasNetworks to take on the management of private asset defects.

We will consider any relevant developments arising from these items and raise these with the AER and stakeholders, as appropriate, through the F&A process.

We welcome the opportunity to meet with AER to discuss this request and look forward to engaging with the AER and other stakeholders regarding the replacement of TasNetworks' F&A. Should you like to discuss any aspect of this request or require additional information, please contact Sandra Thaow, Leader Revenue Reset, at Sandra.Thaow@tasnetworks.com.au.

Yours sincerely

[redacted]

Renée Anderson
Chief Executive Officer