



**PRELIMINARY DECISION  
SA Power Networks  
determination 2015–16 to  
2019–20**

**Attachment 13 – Classification  
of services**

April 2015

© Commonwealth of Australia 2015

This work is copyright. In addition to any use permitted under the Copyright Act 1968, all material contained within this work is provided under a Creative Commons Attributions 3.0 Australia licence, with the exception of:

- the Commonwealth Coat of Arms
- the ACCC and AER logos
- any illustration, diagram, photograph or graphic over which the Australian Competition and Consumer Commission does not hold copyright, but which may be part of or contained within this publication. The details of the relevant licence conditions are available on the Creative Commons website, as is the full legal code for the CC BY 3.0 AU licence.

Requests and inquiries concerning reproduction and rights should be addressed to the Director, Corporate Communications, Australian Competition and Consumer Commission, GPO Box 4141, Canberra ACT 2601 or [publishing.unit@acc.gov.au](mailto:publishing.unit@acc.gov.au).

Inquiries about this publication should be addressed to:

Australian Energy Regulator  
GPO Box 520  
Melbourne Vic 3001

Tel: (03) 9290 1444  
Fax: (03) 9290 1457

Email: [AERInquiry@aer.gov.au](mailto:AERInquiry@aer.gov.au)

## Note

This attachment forms part of the AER's preliminary decision on SA Power Networks' 2015–20 distribution determination. It should be read with all other parts of the preliminary decision.

The preliminary decision includes the following documents:

Overview

Attachment 1 – Annual revenue requirement

Attachment 2 – Regulatory asset base

Attachment 3 – Rate of return

Attachment 4 – Value of imputation credits

Attachment 5 – Regulatory depreciation

Attachment 6 – Capital expenditure

Attachment 7 – Operating expenditure

Attachment 8 – Corporate income tax

Attachment 9 – Efficiency benefit sharing scheme

Attachment 10 – Capital expenditure sharing scheme

Attachment 11 – Service target performance incentive scheme

Attachment 12 – Demand management incentive scheme

Attachment 13 – Classification of services

Attachment 14 – Control mechanism

Attachment 15 – Pass through events

Attachment 16 – Alternative control services

Attachment 17 – Negotiated services framework and criteria

Attachment 18 – Connection policy

# Contents

<b>Note</b> .....	<b>13-2</b>
<b>Contents</b> .....	<b>13-3</b>
<b>Shortened forms</b> .....	<b>13-4</b>
<b>13 Classification of services</b> .....	<b>13-6</b>
<b>13.1 Preliminary decision</b> .....	<b>13-6</b>
<b>13.2 SA Power Networks' proposal</b> .....	<b>13-8</b>
<b>13.3 AER's assessment approach</b> .....	<b>13-8</b>
13.3.1 Interrelationships.....	13-9
<b>13.4 Reasons for preliminary decision</b> .....	<b>13-10</b>
<b>A Classification of distribution services</b> .....	<b>13-17</b>

## Shortened forms

Shortened form	Extended form
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
augex	augmentation expenditure
capex	capital expenditure
CCP	Consumer Challenge Panel
CESS	capital expenditure sharing scheme
CPI	consumer price index
DRP	debt risk premium
DMIA	demand management innovation allowance
DMIS	demand management incentive scheme
Distributor	distribution network service provider
DUoS	distribution use of system
EBSS	efficiency benefit sharing scheme
ERP	equity risk premium
Expenditure Assessment Guideline	Expenditure Forecast Assessment Guideline for electricity distribution
F&A	framework and approach
MRP	market risk premium
NEL	national electricity law
NEM	national electricity market
NEO	national electricity objective
NER	national electricity rules
NSP	network service provider
opex	operating expenditure
PPI	partial performance indicators

Shortened form	Extended form
PTRM	post-tax revenue model
RAB	regulatory asset base
RBA	Reserve Bank of Australia
repex	replacement expenditure
RFM	roll forward model
RIN	regulatory information notice
RPP	revenue and pricing principles
SAIDI	system average interruption duration index
SAIFI	system average interruption frequency index
SLCAPM	Sharpe-Lintner capital asset pricing model
STPIS	service target performance incentive scheme
WACC	weighted average cost of capital

## 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 a number of 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.<sup>1</sup> The classification of distribution services must be as set out in the relevant framework and approach (F&A) unless we consider that unforeseen circumstances justify departing from that proposed classification.<sup>2</sup> We set out our proposed approach to the classification of distribution services for SA Power Networks in our final F&A.<sup>3</sup> We proposed to group SA Power Networks' distribution services as follows:

- network services
- connection services
- metering services
- non-standard network services
- public lighting services.

### 13.1 Preliminary decision

Our preliminary decision is to retain the classification of SA Power Networks' distribution services according to the classifications set out in our final F&A<sup>4</sup> subject to the following. We will:

- classify separate type 5 or 6 metering services for:
  - meter reading and maintenance
  - meter provision before 1 July 2015
  - meter provision after 1 July 2015
- not classify exit fees for type 6 CT<sup>5</sup> connected meters and type 1–4 exceptional meters

---

<sup>1</sup> NER, cl. 6.12.1(1).

<sup>2</sup> NER, cl. 6.12.3(b).

<sup>3</sup> AER, *Final framework and approach for SA Power Networks*, April 2014, pp. 19–22.

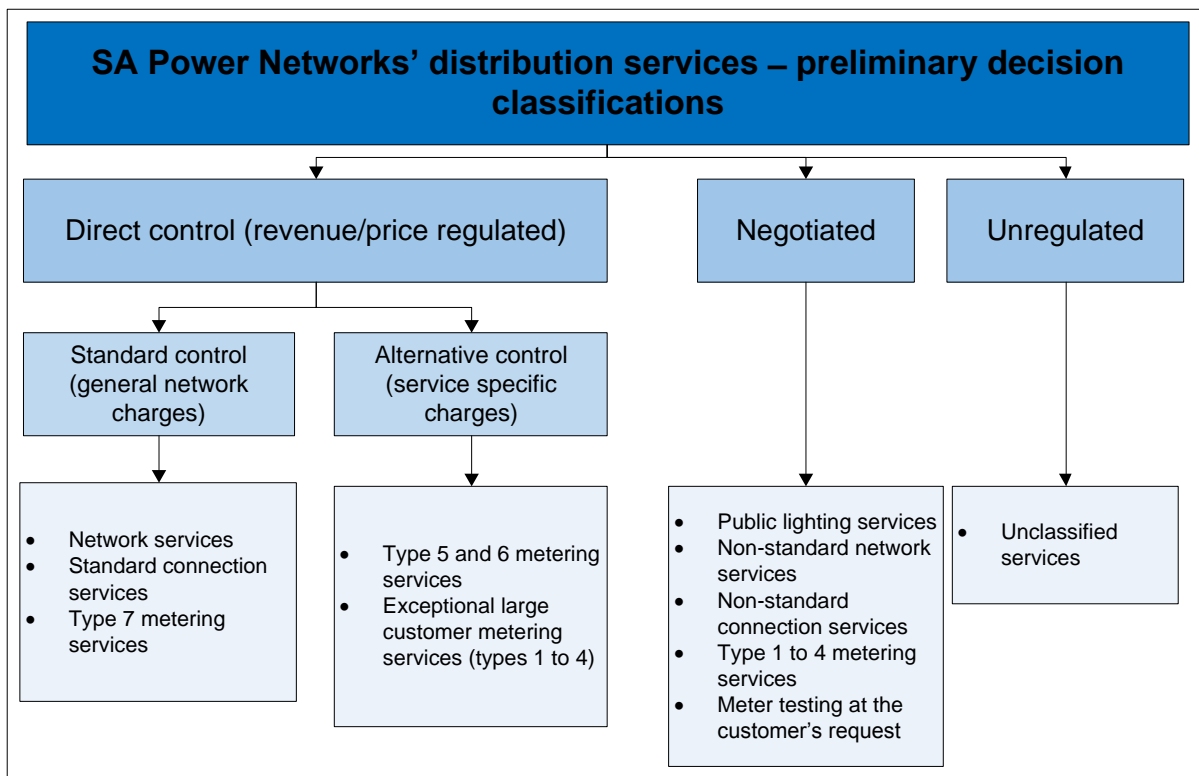
<sup>4</sup> NER, cl. 6.12.1(1).

<sup>5</sup> Current transformer.

- include, for clarity, three non-standard network services as negotiated distribution services. These services are:
  - attendance at the customer's premises at the customer's or their agent's request, where it is determined that the fault was not related to SA Power Networks' equipment or infrastructure
  - provision of relevant regional energy consumption data to Local Government Councils
  - third party funded network upgrades, enhancements or other improvements including 'make-ready' work for NBN Co.

Figure 13.1 shows our preliminary decision on service classifications for SA Power Networks for the 2015–20 regulatory control period.

**Figure 13.1 AER preliminary decision on 2015–20 service classifications for SA Power Networks**



Source: AER analysis.

Our assessment of the classification of services determines how costs associated with the services will be recovered at a very high level. That is, whether the costs of a particular service will be recovered from basic electricity charges, as an additional charge or not recovered at all, as mentioned earlier. However, the detailed prescription



of how service charges are set is not determined as part of classification; instead, that detail is discussed in the control mechanism attachments.<sup>6</sup>

## 13.2 SA Power Networks' proposal

In its regulatory proposal, SA Power Networks accepted our proposed classification of services as set out in our F&A.

While SA Power Networks' regulatory proposal does not depart from our classification of distribution services, it has sought inclusion of three additional negotiated distribution services to provide clarity to customers. These are:

- attendance at the customer's premises at the customer's or their agents request, where it is determined that the faults was not related to SA Power Networks' equipment or infrastructure
- provision of relevant regional energy consumption data to Local Government Councils
- third party funded network upgrades, enhancements or other improvements including 'make-ready' work for NBN Co.<sup>7</sup>

SA Power Networks also proposed to charge 'exit fees' to recover administrative costs in effecting a switch in metering provider. Where the customer purchases a new meter supplied by an alternative metering provider, SA Power Networks proposed to recover the residual capital costs of a distributor provided type 5 and 6 meter through a 'transfer fee'.<sup>8</sup> SA Power Networks proposed metering exit and transfer fees be classified alternative control.

## 13.3 AER's assessment approach

The NER allows us to group distribution services when classifying them.<sup>9</sup> This means we may classify a class of services rather than specific individual services. This provides distributors with flexibility to alter the exact specification (but not the nature) of a service during a regulatory control period. Where we make a single classification for a group of services, it applies to each service in the group.

In making our classification decisions, in summary we may:

- classify a service so that the distributor may recover related costs from all customers (direct control – standard control service)

---

<sup>6</sup> See attachment 14 for standard control services and attachment 16 for alternative control services.

<sup>7</sup> SA Power Networks, *Regulatory proposal, classification of services and negotiating framework*, 30 October 214, p. 168.

<sup>8</sup> SA Power Networks, *Regulatory proposal, classification of services and negotiating framework*, 30 October 214, p. 167.

<sup>9</sup> NER, cl. 6.2.1(b).

- classify a service so that the user benefiting from the service pays (direct control – alternative control service)
- allow customers and distributors to negotiate the provision and price of some services – we will arbitrate should negotiations stall (negotiated distribution service)
- not classify a service – we have no regulatory control over this service or the prices charged by the distributor (unregulated service).

In deciding whether to classify services as either direct control or negotiated services, or to not classify them, the NER requires us to have regard to the 'form of regulation factors' set out in the NEL.<sup>10</sup> The form of regulation factors include the presence and extent of barriers to entry by alternative providers and the extent to which any distributor market power is likely to be mitigated by any countervailing user or prospective user market power. The NER also requires us to consider the previous form of regulation applied to services, the desirability for consistency in the form of regulation for similar services and any other relevant factor.<sup>11</sup>

For services we intend to classify as direct control, the NER requires us to have regard to a further range of factors.<sup>12</sup> These include: the potential to develop competition in provision of a service and how our classification may influence that potential; whether the costs of providing the service are attributable to a specific person; and, the possible effect of the classification on administrative costs.

The NER also specifies that for a service regulated previously, unless a different classification is clearly more appropriate, we must:<sup>13</sup>

- not depart from a previous classification (if the services have been previously classified), and
- if there has been no previous classification – the classification should be consistent with the previously applicable regulatory approach.<sup>14</sup>

### 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 standard control services, 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 alternative control service. There will usually be operating costs associated with the provision of a service as well.

---

<sup>10</sup> NER, cl. 6.2.1(c); NEL, s. 2F.

<sup>11</sup> NER, cl. 6.2.1(c).

<sup>12</sup> NER, cl. 6.2.2(c).

<sup>13</sup> NER, cll. 6.2.1(d) and 6.2.2(d).

<sup>14</sup> NER, cll. 6.2.1(d) and 6.2.2(d).

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

There are assets and operating costs associated with the services provided by distributors. We set the revenues the distributor may collect from customers to recover their asset and operating costs. That revenue is recovered through tariffs the distributor develops to charge to its customers. The regulatory regime establishes incentives such as the Efficiency Benefit Sharing Scheme (EBSS) and the Capital Expenditure Sharing Scheme (CESS) to encourage the provision of services as efficiently as possible. All of these factors interrelate with each other. We must be cognisant of these interrelationships when we make our determinations.

The incentive schemes do not apply to services classified alternative control. As such, classifying type 5 and 6 metering services alternative control also means the incentive schemes are no longer applied to expenditure associated with these services.

## 13.4 Reasons for preliminary decision

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

The NER requires service classifications be as set out in our F&A unless unforeseen circumstances justify a change in classification approach.<sup>15</sup> In our final F&A we proposed reclassifying type 5 metering services from negotiated services to alternative control services.<sup>16</sup> We also proposed to reclassify from standard control services to alternative control services:

- type 6 energy data services (excluding the quarterly meter read service which remains standard control)
- unscheduled meter reading - non-chargeable
- metering investigation.

This remains our classification approach.

In our F&A we explicitly did not account for the costs associated with a customer's decision to switch from a type 5 or 6 meter provided by SA Power Networks to a competing meter provider.<sup>17</sup> At that time, we considered it more appropriate to address the issue in our preliminary determination.

---

<sup>15</sup> NER, cl. 6.12.3(b).

<sup>16</sup> AER, *Final framework and approach for SA Power Networks*, April 2014, pp. 29–30.

<sup>17</sup> AER,

Our F&A classifications are consistent with the Australian Energy Market Commission's (AEMC) Power of Choice review.<sup>18</sup> The AEMC's recommendations included:

- current metering arrangements need reform to promote investment in better metering technology and promote customer choice
- metering costs should be unbundled from shared network charges.

The AEMC released a Power of Choice supplementary paper on metering services, exploring the arrangements necessary to implement its recommendations.<sup>19</sup> The AEMC recommended metering provision be contestable and open to competition. On 26 March 2015 the AEMC released its draft rule change determination on expanding competition in metering and related services.<sup>20</sup>

Having now considered SA Power Networks' regulatory proposal, and taking into account the AEMC's draft rule change, our preliminary decision is to classify separate type 6 meter provision alternative control services for the periods before and after 1 July 2015. This is because SA Power Networks has recovered over time the cost of type 6 meters installed before 1 July 2015, meaning that customers switching away from these may not have paid the full capital cost of their meter. Our preliminary decision is to classify a service for SA Power Networks to recover such residual meter asset value.

The full cost of type 6 meters installed after 1 July 2015 will be charged to customers up front. Therefore, we classify a separate service for SA Power Networks to recover the cost of a type 6 meter in this way.

Because type 5 meter provision is currently classified a negotiated service, the same residual asset value issue does not arise from changing this classification to alternative control. Our preliminary decision is, consistent with our F&A, to classify type 5 meter provision as alternative control. For simplicity, we classify a single service, or service group, for provision of both type 5 and 6 meters after 1 July 2015.

We separately classify an alternative control service, or service group, for SA Power Networks to recover the cost of type 5 or 6 standard meter reading and maintenance activities. Customers may avoid the charge for this service by switching away from an SA Power Networks' provided type 5 or 6 meter.

Our preliminary decision is to not classify services for the recovery of administration costs created by a customer's decision to switch, as we are not satisfied SA Power Networks will incur such additional costs. This means we do not accept new meter

---

<sup>18</sup> AEMC, *Final report — Power of choice review - giving consumers options in the way they use electricity*, November 2012.

<sup>19</sup> AEMC, *Consultation paper — National electricity amendment (expanding competition in metering and related services)*, April 2014.

<sup>20</sup> AEMC, *Draft rule determination—National electricity amendment (expanding competition in metering and related services) rule 2015*, March 2015.

transfer and exit fees proposed by SA Power Networks. Our preliminary decision is also not to classify two existing metering exit or transfer fee related services—for type 6 CT connected meters and type 1 to 4 exceptional meters.

### 13.4.1 Unforeseen circumstances

At the time of releasing our F&A it was not possible to foresee how the AEMC's metering rule change work program would unfold. We consider our classification decisions should have regard to the AEMC's approach, wherever possible, but we have in effect been working ahead of the AEMC's metering rule change. That is, we have been attempting to settle classification while the manner in which metering services will be provided by the market is still being considered.

When we released the F&A in April 2014 the AEMC had only just commenced its work on the metering rule change process. The COAG rule change proposal itself contains limited detail about residual meter values. It stated the AER may determine “a reasonable exit fee” to recover residual meter asset costs and that the AER may cap such fees.<sup>21</sup>

We consider the AEMC's statements about exit fees were statements of general intent before any detailed examination could be carried out. We are now looking at the matter in more detail. The AEMC's statements early in its consultation process indicate its priorities were to allow the distributors to recover their metering costs and to promote development of an effective market for metering services.

The AEMC now recognises that large exit fees for customers wishing to switch to alternative meter providers may hinder development of a competitive market for metering services.<sup>22</sup> The AEMC's work program on the COAG rule change proposal remains in process. We consider the AEMC's work program on the metering rule change represents an unforeseen circumstance justifying a change in classification approach from our F&A.

SA Power Networks references the SA Department of State Development (formerly Department of Manufacturing, Innovation, Trade, Resources and Energy) proposed policy on new and replacement meters in SA to support its metering proposal.<sup>23</sup> However, the SA Government in its submission to us on SA Power Networks' regulatory proposal stated that it has deferred any further jurisdictional work on metering at this stage.<sup>24</sup> Notwithstanding the SA Government's position, the need to classify two additional metering services is evident from SA Power Networks' proposal.

---

<sup>21</sup> AEMC, *Consultation paper — National electricity amendment (expanding competition in metering and related services)*, April 2014., p. 18.

<sup>22</sup> AEMC, *Draft Rule Determination: National Electricity Amendment (Expanding competition in metering and related services) Rule 2015*, 26 March 2015.

<sup>23</sup> SA Power Networks, *Regulatory proposal, ACS metering tariff development methodology - attachment 29.3*, 30 October 2014, p. 6.

<sup>24</sup> Government of South Australia, *Submissions on SA Power Networks' regulatory proposal*, 30 January 2015, p. 14.

In response to the Queensland/SA regulatory proposals, we received submissions opposed to exit fees and supporting our proposed approach from SACOSS, Council of the Ageing, Metropolis Metering, AGL, Vector, Simply Energy, the Australian PV Institute, the Queensland Farmers Federation and QCOSS. We consider these submissions give further weight to changing our classification approach for metering services.

### 13.4.2 Exit fees

When a distributor first installs a type 5 or 6 meter, it does not charge customers upfront for the whole cost of the meter. Rather, these costs are recovered over time. If a customer chooses to switch metering providers, the distributor provided meter is unlikely to have been paid for in full. This creates a residual capital cost.

In our F&A we classified an alternative control service for SA Power Networks to recover its stranded asset costs associated with customers switching to another metering provider.<sup>25</sup> We intended this service would facilitate an exit fee, charged by the distributors to customers switching to an alternative metering provider. SA Power Networks adopted this approach in its regulatory proposal.

Residual capital costs arise because, when a customer chooses to switch away from their distributor provided type 5 or 6 meter, the distributor is unlikely to have fully recovered the cost of that meter from the customer. Such costs are recovered over time rather than up front when the meter is first installed.

To address this issue, SA Power Networks proposed exit fees and transfer fees for customers that switch to a competitor provided meter. The proposed fees were intended by SA Power Networks to recover both the asset cost of the meter and administrative costs that it submitted are created by the customer's decision to switch.<sup>26</sup> SA Power Networks proposed a range of fees up to \$590.<sup>27</sup>

The NEL and NER require us to have regard to the development of competition in deciding appropriate service classifications. We have also considered whether SA Power Networks is likely to actually incur any additional administrative costs from a customer's decision to switch. Having taken these factors into account, our preliminary decision is to not classify services for SA Power Networks to charge metering exit or transfer fees. Our preliminary decision applies to both metering exit and transfer fees newly proposed by SA Power Networks and to existing fees related to type 6 CT connected meters and type 1–4 exceptional meters.

We consider exit or transfer fees, particularly of the level proposed by SA Power Networks, would present a barrier to customer switching and therefore to the

---

<sup>25</sup> AER, *Final framework and approach for SA Power Networks – Regulatory control period commencing 1 July 2015*, April 2014.

<sup>26</sup> SA Power Networks, *Regulatory proposal*, p. 357.

<sup>27</sup> SA Power Networks, *Regulatory proposal*, p. 356.

development of effective competition in the provision of metering services. As discussed above, to allow SA Power Networks to recover its residual type 6 meter values, we instead classify an alternative control service that may be charged to all customers with a type 6 meter on 1 July 2015. For SA Power Networks, the outcome is the same—it will recover in full its residual type 6 meter values. We expect the competitive impact of our preliminary decision will be to better facilitate competition than under SA Power Networks' proposed approach.

In respect of SA Power Networks' proposed administrative costs, we consider SA Power Networks has not provided sufficient evidence that it will incur such costs from a customer's decision to switch metering provider. Further details of our reasoning on SA Power Networks' proposed additional administrative costs are set out in attachment 16.

### 13.4.3 Residual meter value

To allow the SA Power Networks to recover its residual metering capital value and its administrative costs, our preliminary decision is to classify three separate alternative control services:

1. Type 5 or 6 meter reading and maintenance.

This covers the operating costs incurred by a distributor in operating a meter. Customers may avoid this ACS charge by switching to an alternative metering provider.

2. Type 5 or 6 meter provision<sup>28</sup>—pre 1 July 2015.

This service allows distributors to recover the cost of meters installed before 1 July 2015. The fee for this service will reflect the pool of distributor provided type 5 or 6 meters, both active and redundant, until their value is depreciated away.

3. Type 5 or 6 meter provision—post 1 July 2015.

This service will allow distributors to recover the cost of a meter installed on or after 1 July 2015.

The above metering services are reflected in appendix A which details our classification of distribution services.

SA Power Networks also proposed some minor additions to non-standard network service descriptions set out in appendix A. SA Power Networks' sought to include these services to make it clear to its customers that it is entitled to recover costs related to:

- attending faults that were not caused by its infrastructure or equipment
- third party requested alternations or upgrades to network infrastructure required to cater for their requirements

---

<sup>28</sup> For SA Power Networks, meter provision includes meter installation.

- obtaining, verifying and providing energy data relevant to Local Government Councils.

Consistent with our final F&A, we are satisfied that these three services should be included as non-standard network services and classified as negotiated services:

- the costs of these services can be attributed to an individual customer
- although legislation currently does not allow these services to be contestable, potential to develop competition exists if legislative barriers are relaxed
- potential administrative costs of introducing price or revenue regulation are likely to be significant for customers, SA Power Networks and us compared to potential benefits. This is because it is difficult to establish the costs and volume forecasts required for price or revenue regulation due to the infrequent and non-standard nature of these services.
- classifying these three services as negotiated services is consistent with the regulatory approach to other non-network services of this nature.<sup>29</sup>

Appendix A includes these services in mark up. The revisions do not impact our preliminary decision on the classification of services.

Finally, while our preliminary decision is for public lighting services to remain a negotiated distribution service for the 2015–20 regulatory control period, we would be open to considering reclassifying public lighting services in beyond 2020. This follows submissions from The City of Unley<sup>30</sup> and the Local Government Association of South Australia (LGA).<sup>31</sup>

The City of Unley submission questioned if public lighting would benefit customers if it was classified as an alternative control service.<sup>32</sup> This would result in us setting prices, rather than customers and SAPN negotiating on the service and price.

The LGA submitted that we 'hold over' any determination on public lighting until its current dispute with SAPN is formally resolved.<sup>33</sup> While this is not permitted under the NER, the current dispute process will not be impeded as our decision is for public lighting to remain a negotiated distribution service. However, we note that the LGA, SA State Government, Department of Planning, Transport and Infrastructure have been attempting to negotiate the terms and conditions of access to public lighting services provided by SAPN since early 2011. This dispute is now before the AER.<sup>34</sup>

---

<sup>29</sup> AER, *Final framework and approach for SA Power Networks*, April 2014, p. 36.

<sup>30</sup> The City of Unley, *Submission on SAPN's regulatory proposal*, 22 December 2014.

<sup>31</sup> Local Government Association of SA, *Submission on SAPN's regulatory proposal*, 5 February 2015.

<sup>32</sup> The City of Unley, *Submission on SAPN's regulatory proposal*, 22 December 2014.

<sup>33</sup> Local Government Association of SA, *Submission on SAPN's regulatory proposal*, 5 February 2015.

<sup>34</sup> Local Government Association of SA, *Submission on SAPN's regulatory proposal*, 5 February 2015



SAPN also acknowledged the dispute, stating the aim of which in the first instance, is for the parties to achieve a common understanding of the word 'costs incurred'. SAPN stated that:

'This seems a very meagre goal having already participated in several years of costly, unproductive and disruptive debate surrounding this issue.'<sup>35</sup>

Public lighting classification in South Australia had not been called into question until we received the above submissions. Therefore, the time to properly consult with stakeholders on whether public lighting should remain a negotiated distribution service has passed. Notwithstanding, we are open to hearing from interested parties on this issue for consideration as part of the 2020–25 reset.

---

<sup>35</sup> SAPN. *Submission on proposed negotiated distribution service criteria*, 30 January 2015, p. 2.

# A Classification of distribution services

This appendix set out our preliminary decision on the classification of SA Power Networks' distribution services for the 2015–20 regulatory control period.

## Direct control (standard control) services

### B.1 Standard network services

- a. All network services except:
  - i. network services provided at the request of a distribution network user:
    - (i) with higher quality or reliability standards, or lower quality or reliability standards (where permissible), than are required by the rules or any other applicable regulatory instruments, or
    - (ii) in excess of levels of service or plant ratings required to be provided by SA Power Networks' assets, or
  - ii. extension or augmentation of the distribution network associated with the provision of a new connection point or upgrading of the capability of a connection point to the extent that a distribution network user is required to make a financial contribution in accordance with the rules, or
  - iii. other network services that are classified as negotiated distribution services in sections B.6 to B.15 of this appendix B.

### B.2 Standard connection services

- a. All connection services except:
  - i. connection services provided at the request of a distribution network user:
    - (i) with higher quality or reliability standards, or lower quality or reliability standards (where permissible), than are required by the rules or any other applicable regulatory instruments, or
    - (ii) in excess of levels of service or plant ratings required to be provided by SA Power Networks assets, or
  - ii. the provision of a new connection point or upgrading of the capability of a connection point to the extent that a distribution network user is required to make a financial contribution in accordance with the rules, or
  - iii. other connection services that are classified as negotiated distribution services in sections B.6 to B.15 of this appendix B.

### **B.3 Unmetered metering services**

- a. The provision of metering services in respect of meters meeting the requirements of a metering installation type 7.

## **Direct control (alternative control) services**

### **B.4 Standard small customer metering services**

- a. The provision of:
  - i. meter provision services in respect of meters meeting the requirements of a metering installation type 6—before 1 July 2015
  - ii. meter provision services in respect of meters meeting the requirements of a metering installation types 5 and 6—on or after 1 July 2015
  - iii. regular meter read and maintenance services in respect of meters meeting the requirements of a metering installation types 5 and 6
  - iv. energy data and storage services (excluding those required for standard control services), unscheduled meter reading and metering investigation, directly associated with types 5 and 6 metering services.

### **B.5 Exceptional large customer metering services**

- a. Meter provision services provided in respect of meters meeting the requirements of a metering installation type 1, metering installation type 2, metering installation type 3 or metering installation type 4 installed prior to 1 July 2000.
- b. Meter provision services provided in accordance with the requirement of clause 27 of SA Power Networks distribution licence as in force at 30 June 2005.
- c. For the purposes of this clause, meter provision services include, but are not necessarily limited to, any asset related and administrative costs associated with the provision, installation and maintenance of the meter.

## **Negotiated distribution services**

### **B.6 Non-standard network services**

- a. a. Network services provided at the request of a distribution network user:
  - i. with higher quality or reliability standards, or lower quality or reliability standards (where permissible), than are required by the rules or any other applicable regulatory instruments, or
  - ii. in excess of levels of service or plant ratings required to be provided by SA Power Networks' assets.

### **B.7 Non-standard connection services**

- a. Connection services provided at the request of a distribution network user:
  - i. with higher quality or reliability standards, or lower quality or reliability standards (where permissible), than are required by the rules or any other applicable regulatory instruments, or
  - ii. in excess of levels of service or plant ratings required to be provided by SA Power Networks' assets.

### **B.8 New and upgraded connection point services**

- a. Extension or augmentation of the distribution network associated with the provision of a new connection point or upgrading of the capability of a connection point to the extent that a distribution network user is required to make a financial contribution in accordance with the rules.
- b. The provision of a new connection point or upgrading of the capability of a connection point to the extent that a distribution network user is required to make a financial contribution in accordance with the rules.
- c. Responding to an enquiry in relation to the provision of a new connection point referred to in paragraph B.8(a) or (b).
- d. The provision of technical specifications in relation to the upgrading of the capability of a connection point referred to in paragraph B.8(a) or (b).
- e. Preliminary communications with a customer, being an existing or potential distribution network user where more than 6 hours work is required.

### **B.9 Non-standard small customer metering services**

- a. In relation to 'small' distribution network users (at present, those consuming less than 160MWh per annum), the provision of metering services:
  - i. at all first tier connection points and second tier connection points where a meter meeting the requirements of a metering installation type 1, metering installation type 2, metering installation type 3, metering installation type 4 is or is to be installed, or
  - ii. in respect of meters meeting the requirements of a metering installation type 6 and of a metering installation type 5 containing a meter different to the type of meter SA Power Networks would ordinarily install (including prepayment meter systems), which is installed at the request of a retailer or a distribution network user.
- b. In relation to energy data services, the provision of special meter readings and associated services.

### **B.10 Large customer metering services**

- a. The provision of metering services to 'large' customers (at present, those consuming more than 160MWh per annum), except for:

- i. meter provision services provided in respect of meters meeting the requirements of a metering installation type 1, metering installation type 2, metering installation type 3 or metering installation type 4 installed prior to 1 July 2000, or
- ii. meter provision services provided in accordance with the requirement of clause 27 of SA Power Networks' distribution licence as in force at 30 June 2005.

#### **B.11 Public lighting services**

- a. Street lighting use of system services
  - i. The provision of public lighting assets, and the operation and maintenance of those assets where SA Power Networks retains ownership of the assets.
- b. Customer lighting equipment rate services
  - i. The replacement of failed lamps in customer-owned streetlights where the customer retains ownership of the assets and is responsible for all other maintenance.
- c. Energy only services
  - i. The maintenance of a database relating to street lights, and recording and informing customers of streetlight faults reported to SA Power Networks where customers retain ownership of the assets and are responsible for all maintenance (including replacement of failed lamps).

#### **B.12 Stand-by and temporary supply services**

- a. The following services associated with stand-by and temporary supply:
  - i. provision of electric plant or stand-by generator for the specific purpose of enabling the provision of top-up or stand-by supplies or sales of electricity
  - ii. provision of network services for a connection point where a distribution network user operates parallel generation requiring a stand-by supply
  - iii. provision of temporary supplies, and
  - iv. provision of reserve (duplicate) supply.

#### **B.13 Asset relocation, temporary disconnection and temporary line insulation services**

- b. Moving mains, services, meters and other associated assets forming part of the distribution system, providing temporary disconnection, or temporary line insulation to accommodate extensions, re-design or re-development of any premises or otherwise as requested by a distribution network user.

- c. Provision of network access management services for a distribution network user or external party.

#### **B.14 Embedded generation services**

- a. Services and system augmentation or extension required to receive energy from an embedded generator and meet the requirements of the rules.
- b. Services associated with non-compliance of the embedded generator with the connection agreement, including but not limited to reactive power, power factor, harmonics, voltage dips and test supply arrangements.

#### **B.15 Other Services**

- a. The following services provided in connection with the Electricity Metering Code or the rules:
  - i. application for an account or new supply
  - ii. provision of a copy of various codes
  - iii. provision of old billing data
  - iv. meter testing at the request of a distribution network user
  - v. after-hours reconnection
  - vi. reconnection due to a distribution network users' fault, and
  - vii. disconnection services provided to a retailer, or a distribution network user.
- b. Provision of reactive power and energy to a connection point or receipt of reactive power and energy from a distribution connection point.
- c. Investigation and testing services.
- d. Asset location and identification services.
- e. The transportation of electricity not consumed in the distribution system.
- f. The transportation of electricity to distribution network users connected to the distribution system adjacent to the transmission system.
- g. Repair of equipment damaged by a distribution network user or a third party.
- h. Provision of:
  - i. high load escorts
  - ii. measurement devices
  - iii. protection systems, and

- iv. pole attachments, ducts or conduits (excluding for the provision of telecommunications services).
- i. Costs incurred by SA Power Networks as a result of a customer not complying with SA Power Networks' standard connection and supply contract or other obligation.
- j. Additional costs incurred by SA Power Networks where service provision could not be undertaken and/or completed as planned due to the actions, or inaction, of a customer or their agent.
- k. Provision of a television or radio interference investigation where it is determined that the distribution system is not the cause of the interference.
- l. Provision of a supply interruption investigation where it is determined that the distribution system was not the cause of the interruption.
- m. Provision of information to distribution network users or third parties not related to connection enquiries.
- n. Recovery of costs associated with the larceny of supply, including the costs associated with repairing or replacing damaged equipment and investigation costs where SA Power Networks determines that larceny of supply has occurred.
- o. Emergency recoverable works, including the repair of damage caused to the distribution network by a third party, where costs are recovered.
- p. Third party connection works charges, for work not undertaken by SA Power Networks, this includes, but is not limited to:
  - i. Specification services
  - ii. Works design compliance
  - iii. Works reinspection.
- q. Provision of access permits or clearance to work on or near the distribution system.
- r. Off-peak conversion services.
- s. Carrying out planning studies and analysis relating to distribution, including sub-transmission and dual function asset connection applications.
- t. Work required for network tariff change requests.
- u. Recovery of debt collection costs.
- v. Negotiation for the provision of services.
- w. Attendance at the customer's premises to perform a statutory right where access is prevented.

- x. Other lighting services.
- y. Attendance at the customer's premises at the customer's or their agent's request, where it is determined that the fault was not related to SA Power Networks' equipment or infrastructure.
- z. Provision of relevant regional energy consumption data to Local Government Councils.
- aa. Third party funded network upgrades, enhancements or other improvements including 'make-ready' work for NBN Co.