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18 December 2017

Mr Richard Sibly
A / Head of Regulation
SA Power Networks
By email: richard.sibly@sapowernetworks.com.au; bruno.coelho@sapowernetworks.com.au

Dear Mr Sibly

Notice of ring-fencing waiver: SA Power Networks - Ring-fencing waiver applications - August 2017, October 2017

The AER issues this notice pursuant to clauses 5.3.1 and 5.7(b) of the AER Electricity Distribution Ring-fencing Guideline, October 2017 (the Guideline).

The AER grants a waiver of SA Power Networks' obligation to comply with clauses 4.2 and 4.4.1(a) of the Guideline from 18 December 2017 until 30 June 2020 in relation to the provision of:

- Non-standard network services
- Non-standard connection services
- New and upgraded connection point services
- Non-standard small customer metering services
- Large customer metering services
- Public lighting services
- Stand-by and temporary supply services
- Asset relocation, temporary disconnection and temporary line insulation services
- Embedded generation services
- the following '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 user's 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. Transportation of electricity not consumed in the distribution system.
- f. 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. Cost recovery associated with supply larceny, 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 work charges for work not undertaken by SA Power Networks. Includes but 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.

The AER also grants a waiver of SA Power Networks' obligation to comply with clause 3.1 of the Guideline from 18 December 2017 to 30 September 2018 so that it may continue to provide Other Services currently contracted out under 20 construction and maintenance contracts while it awaits a private binding ruling from the ATO. This is on the condition that SA Power Networks transfer the contracts as soon as practicable after receiving a favourable ruling from the ATO.

The AER expects SA Power Networks to comply with the Guideline in all other circumstances, and in all other respects.

SA Power Networks is required by clause 5.7 of the Guideline to include this waiver on its waiver register, which must be publicly available on SA Power Networks' website.

Yours sincerely



Scott Sandles
A / General Manager
Networks

Sent by email on: 18.12.2017

