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## Electricity Distribution Ring-Fencing Guideline

# Annual Compliance Report – 2017 Transitional Year



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## Executive Summary

The Australian Energy Regulator (**AER**) published the Ring-fencing Guideline (**Guideline**) for Electricity Distribution on 30 November 2016 under the National Electricity Rules (NER). The Guideline aims to promote competition in Contestable Electricity Services and it imposes obligations on Distribution Network Service Providers (**DNSP**) to prevent certain cross-subsidisation and discrimination.

The Guideline is effective from 1 December 2016. A transition period applied for “existing services” and DNSPs were required to comply as soon as reasonably practical and no later than 1 January 2018. This document is AusNet Services first compliance report under the Guideline, the purpose of this document is to:

- Describe the processes undertaken to identify changes necessitated by the ring-fencing guideline.
- Describe the actions taken to rectify issues identified.
- Demonstrate that AusNet Services achieved compliance with the ring-fencing guideline by 1 January 2018.
- Provide an assessment of compliance from an independent assessor as required by the guideline.
- Highlight areas for additional work, where there are risks compliance issues may emerge.

Within AusNet Services, a project team was established to develop and implement an approach to achieve compliance with the Guideline. This was implemented by AusNet Services in three phases:

- Discovery: August to December 2016: Developed a preliminary view of scope and impact to the Group based on the draft Guideline and established principles for the Design Phase.
- Design: January to April 2017: Developed a detailed view of change requirements in response to the Guideline, identified areas of non-conformance and developed an Implementation Plan.
- Implementation: May to December 2017:
  - Prepared an overarching framework so that the business could meet its obligations under the Guideline. This included:
    - A new Ring-fencing policy, which established processes and procedures for operating in a Ring-fenced environment and offer clear communication to our employees on the behavioural change requirements.
    - Updating or creating policies and procedures, as well as a reporting and compliance framework.
    - Training staff and transitioning ongoing compliance activities into Business as Usual (BAU) roles.
  - Modifying existing business arrangements for compliance; and
  - Where appropriate, applying for waivers.

In implementing this approach and achieving compliance AusNet Services:

- Established a new Distribution Ring-fencing Policy applicable to all employees and associated training;

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- Established arms-length agreements for all services provided to the DNSP by affiliated entities;
- Developed, published and introduced processes to maintain office, staff, waiver & information registers;
- Physically separated staff into separate sites;
- Created new system access rules to prevent access to DNSP systems;
- Incorporated Ring-fencing guideline into existing corporate compliance system with obligation assigned to relevant stakeholders across the business; and
- Changes to affiliated entity branding to align to ring-fencing guideline.

AusNet Services has not identified any breaches of the Guideline since its commencement on 1 January 2018.

### 1 Regulatory Framework

Clause 6.17.1 of the NER requires that all Distribution Network Service Providers (DNSPs) must comply with the Distribution Ring-Fencing Guidelines prepared by the AER.

The AER published version 2 of the Ring-fencing Guideline, Electricity Distribution Version 2 in October 2017 set out in the AER's guideline, the objective is to:

- promote the National Electricity Objective by providing for the accounting and functional separation of the provision of direct control services by DNSPs from the provision of other services by them, or by their affiliated entities.
- promote competition in the provision of electricity services.

The Guideline imposes obligations on DNSPs targeted at:

- cross-subsidisation, with provisions that aim to prevent a DNSP from providing other services that could be cross-subsidised by its distribution services; and
- discrimination, with provisions that aim to:
  - prevent a DNSP conferring a competitive advantage on its related electricity service providers that provide contestable electricity services; and
  - ensure a DNSP does not disclose information to a related electricity service provider, which it obtains through its dealings with a competitor of a related electricity service provider.

Clause 6.1 of the AER's guideline requires that AusNet Services must establish and maintain appropriate internal procedures to ensure it complies with its obligations under the Guideline. Additionally, AusNet Services may be required to demonstrate the adequacy of these procedures.

The Guideline commenced on 1 December 2016. However, a transition period applied for "existing services" and DNSPs were required to comply as soon as reasonably practical and no later than 1 January 2018.

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### 1.1 Reporting requirements

In accordance with section 6.2.1 of the Guideline AusNet Services is required to prepare an annual compliance report. The annual compliance report must identify and describe, in respect of the regulatory year to which the report relates:

- i. the measures the DNSP has taken to ensure compliance with its obligations under this Guideline;
- ii. any breaches of this Guideline by the DNSP, or which otherwise relate to the DNSP;
- iii. all other services provided by the DNSP in accordance with clause 3.1; and
- iv. the purpose of all transactions between the DNSP and an affiliated entity.

The annual compliance report must be accompanied by an assessment of compliance by a suitably qualified independent authority.

Annual compliance reports may be made publicly available by the AER.

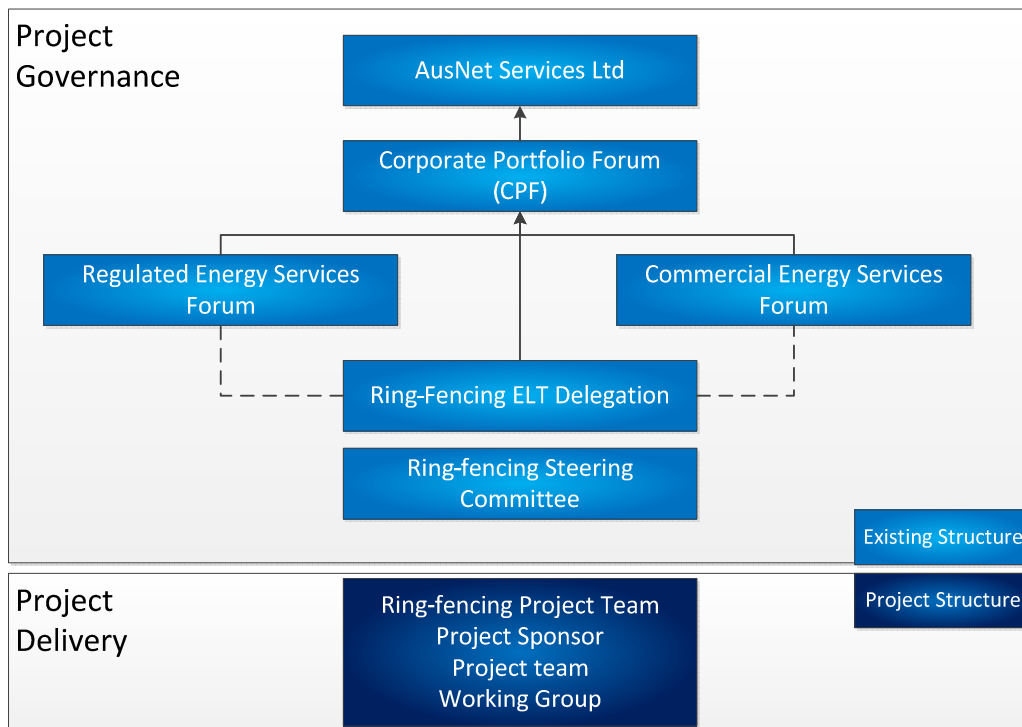
In accordance with section 6.2.2 of the Guideline, AusNet Services must submit its annual compliance report to the AER within four months of the end of the regulatory year to which the compliance report relates (i.e. end April).

## 2 AusNet Services Ring-fencing Implementation Plan

Introduction of the Guideline places new obligations on the operations of the distribution business as well as the broader AusNet Services Group's businesses. Accordingly, a dedicated ring-fencing project team was established to identify and implement necessary changes within the Group. The project team operated within a robust governance structure which is shown in Figure 1 below.

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Figure 1 Ring-fencing – Project Governance



The Ring-fencing Steering Committee represented the advisory body for the Group's response to the Guideline and provided unity of direction across the Group. The Committee members were general management representatives from across the business. The Committee met on a monthly basis to manage compliance approach, progress, budget tracking and overall project delivery. The Committee also provided regular updates to the Executive Leadership Team and ultimately the Board.

The Steering Committee endorsed the following design principles for the ring-fencing implementation project:

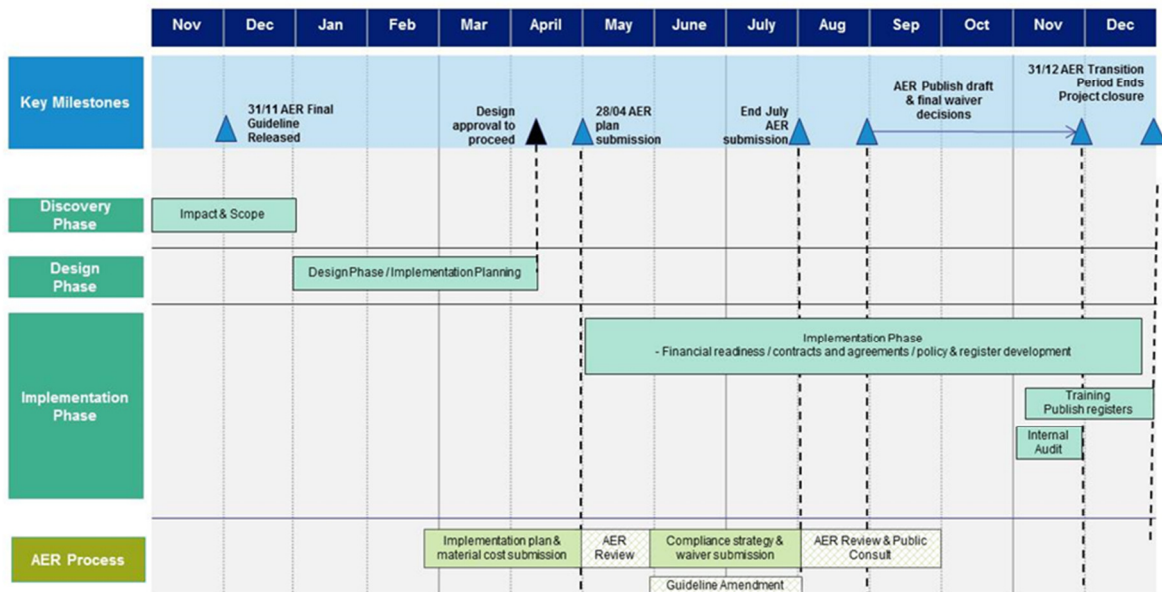
- achieve full compliance within the transition period, and be able to demonstrate compliance;
- minimise costs to the organisation and to our customers; and
- minimise business disruption, by maintaining current business processes and structures where possible.

The Project Team developed a plan to achieve compliance across three phases:

- **Discovery phase:** Developed a view of the scope and impact to the Group and establish principles for the Design Phase.
- **Design phase:** Developed a detailed view of change requirement in response to the Guideline and developed the Implementation Plan. **Implementation phase:** Work was split across 9 workstreams with various parts of the business implementing the changes identified during the design phase. This included creating a new policy, updating procedures and developing training for staff. In certain areas modified existing business arrangements for compliance. The high-level plan for implementation of the plan is set out in Figure 2 below.

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Figure 2 Implementation plan



### 2.1 Discovery

A dedicated Project Team was established to identify, design and implement the change activities necessary in accordance with the Guideline. The Project Team was supported by a Working Group comprised of senior representatives from Legal, Regulatory and Finance business units, and other parts of the business as required.

### 2.2 Design

As a result of the Group wide Discovery phase the project developed a Ring-Fencing Design Document that was approved by the Executive Leadership team. The Design followed the clauses of the Guideline and explained, in practical terms, the recommended approach to achieve compliance, including:

- proposed changes to policies, procedures, reports, and associated training to ensure ongoing compliance in a business as usual context;
- proposed changes to existing business arrangements or suggested waiver applications where modifying existing arrangements is considered impractical; and
- a suggested implementation approach including timing and costs.

The Ring-fencing Design document formed the scope of the specific project deliverables to ensure compliance. This was reflected in AusNet Services Compliance Plan provided to the AER on 28 July 2017, and subsequently published on the AER website.

Key deliverables included:

- Development of Waiver applications for two items
  - Mt Baw Baw;
  - Unregulated and Negotiated Services;
- Development of an AusNet Services Ring-Fencing policy;
- Establishing Service Agreements between the DNSP and affiliated entities;
- Identifying and treating Staff and Site sharing arrangements and to include publishing of registers; and

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- Development & publication of an information sharing register and establishing a process to share information.

### 2.3 Implementation

Between May and December 2017 AusNet Services implemented changes to address ring-fencing design components.

Delivery was split into nine work streams with key stakeholders identified from within the business to support delivery.

<b>Services work stream</b>	<ul style="list-style-type: none"> <li>• Aligned all service to correct legal entity and novated contracts of services where required</li> <li>• Established Master Services agreements between DNSP and affiliated entities</li> <li>• Updated terms and condition to reflect Guideline</li> </ul>
<b>Accounting work stream</b>	<ul style="list-style-type: none"> <li>• Developed a new policy "Accounting Policy and Procedure – Transactions with affiliated entities"</li> <li>• Allocation of costs and assets to correct legal entity</li> <li>• Reviewed and ensured remuneration and KPI were in line with Guideline</li> </ul>
<b>Register and policy work stream</b>	<ul style="list-style-type: none"> <li>• Developed a new Ring-fencing policy</li> <li>• Developed, published and maintain registers</li> </ul>
<b>Staff and site work stream</b>	<ul style="list-style-type: none"> <li>• Identified all staff associated with contestable electricity services and staff shared between the DNSP and affiliated entities.</li> <li>• Workplace separation of staff providing contestable electricity services from staff providing direct control services.</li> </ul>
<b>Legal entity / employing entity</b>	<ul style="list-style-type: none"> <li>• Aligned legal entity &amp; employing entity for new employees</li> </ul>
<b>Information access and disclosure</b>	<ul style="list-style-type: none"> <li>• Created controls around information sharing with an affiliated entity</li> <li>• Established protocols to govern this process and publish a register setting out the kind of information sought by any entity, and to add entities to the register if they wish to receive similar information from the DNSP.</li> </ul>
<b>Compliance work stream</b>	<ul style="list-style-type: none"> <li>• Incorporated Guideline obligations into the existing AusNet Services compliance system.</li> <li>• Expanded scope of existing compliance breach process to include distribution ring-fencing</li> </ul>
<b>Waivers</b>	<ul style="list-style-type: none"> <li>• Applied for and published waivers once granted</li> <li>• Developed ongoing process to maintain and update waivers</li> </ul>



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<b>Brand</b>	<ul style="list-style-type: none"> <li>Ensured, through training and education, that staff understand the separate and independent branding requirements that must apply between direct control services and contestable electricity services</li> </ul>
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Work stream activities were coordinated by the project team and complex issues or compliance questions were addressed by the working group. Progress was reported monthly to the Ring-fencing steering committee.

Compliance confirmed by in December 2017 with all works streams providing stakeholder confirmation of compliance and completion of key actions. To support the project assessment a suitably qualified external party was brought in to perform an internal review of AusNet Services compliance. This party was independent of the of the party used to asses compliance as part of the 2017 annual report.

The objective of this review was to assess AusNet's Services processes that have been developed to ensure compliance with the Guideline. In particular:

- Review of the Ring-Fencing Compliance Framework to assess whether this was aligned to the requirements as set out within the Guideline;
- Review of the design and implementation of ring fencing compliance processes and an assessment as to whether these effectively address the requirements of the Guideline; and
- Identification of any potential compliance gaps and making recommendations for remediation.

The review identified several recommendations that were implemented prior to 1 January 2018.

### 3 Measures to ensure compliance

Sub-clause 6.2.1(b).i requires DNSPs to report on "the measures the DNSP has taken to ensure compliance with its obligations under this Guideline." Annual compliance reporting by the DNSP should identify the compliance measures it has put in place to ensure compliance with all obligations in the Guideline. In the sections below, we set out the range of compliance measures that we have in place.

#### 3.1 Preventative controls

##### 3.1.1 Ring-fencing Policy

AusNet Service has created a new policy to cover compliance with the Guideline. This policy:

- explains how AusNet Services will ensure that the AER's Electricity Distribution Ring-fencing Guideline is complied with and managed within the business; and
- applies to all employees, contractors and suppliers working for AusNet Services.

The policy represents a single reference guide for our compliance approach and training of staff on their obligations.

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### 3.1.2 Site Separation

The effect of clause 4.2.1 of the Guideline is that the DNSP, in providing Direct Control Services, must use separate offices from the affiliated entity providing Contestable Electricity Services. A “separate office” can be an access-restricted area or floor within a common building.

For sites that did not comply with the Guideline, staff providing Contestable Electricity Services were moved from the site to other locations. This was the case of the Lilydale Offices.

Access controls were updated and access passes for impacted staff was removed to areas involved in direct control services. One office at Beaconsfield, was separated with a wall dividing work areas and separate entrances for staff associated with Direct Control Services and Contestable Electricity Services.

### 3.1.3 System Access Changes

The Ring-fencing Project Team and Technology reviewed all systems and user access. Users associated with the provision of Contestable Electricity Services were removed from systems that stored distribution network information.

Where systems are shared new roles have been established to limit what information is accessible to users based the Guideline. Staff involved in the provision of Contestable Electricity Services are not provided access to systems or user roles that can access distribution network information.

### 3.1.4 Training

In support of the AusNet Services Ring-fencing Policy, ring-fencing training was deployed across the business. Key business representatives were required to complete the training, but the training was made available to all employees through their manager. Over 180 AusNet Services employees have completed the training.

### 3.1.5 Ring-fencing Email Address

To help address any questions or confusion regarding the Ring-Fencing Guideline AusNet Services has set up a dedicated internal email address. The address is monitored by members of the Regulation team who were involved in the development of the AusNet Service Ring-fencing policy Through this and other avenues AusNet Services staff have sought clarifications in various areas including, graduate and apprentice staff movements, communications regarding distribution projects and system access changes.

### 3.1.6 Financial Procedures

The DNSP has established Financial Procedures in order to support compliance with the guideline.

The key preventative controls include:

- The creation of an accounting policy for Transactions with Affiliated Entities This policy outlines the requirement to record financial transactions in the correct legal entity and how financial information for different types of services are collated within the DNSP. It also details how financial items are correctly allocated as well as how intercompany transactions are to be separately recorded within each legal entity;
- Removal of access within our project system module for relevant staff to prevent them from setting up prohibited projects under the DNSP legal entity; and

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- Removal of access within our indirect cost allocation system for relevant staff to prevent the ability to allocate unregulated or prohibited costs to the DNSP legal entity.

### 3.1.7 Master Services Agreements

AusNet Services has established Master Services Agreements (MSAs) with affiliated entities providing inputs to its regulated services. These include Statements of Work (SOW) to apply for services in place at the time ring-fencing commenced. Any additional services provided by an affiliate would be subject to separate negotiation. The MSAs provide a basis for ensuring compliant financial transactions between the entities.

### 3.1.8 Staff Sharing Arrangements

Under certain circumstances staff of the DNSP is permitted to be shared with an affiliated contestable electricity service provider. The DNSP is required to maintain a public register of the nature of staff positions being shared.

AusNet Services has published a staff sharing register. The register includes the nature of the shared activities and any conditions considered necessary for compliance.

The guideline requires the DNSP to also publish a register of sites shared between the DNSP and affiliated contestable electricity service providers. There are currently no shared sites, as staff relocation has been implemented.

## 3.2 Detective controls

### 3.2.1 Financial Reporting & Reviews

In addition to the preventative financial controls described in section 3.1.6, a number of financial reviews are undertaken throughout the year to ensure compliance with the accounting requirements of the guideline. In particular:

- The results of the indirect cost allocation process are reviewed monthly by the finance team to ensure that costs have been appropriately allocated and that significant variances or movements compared to previous periods are understood
- The profit and loss of the DNSP is reviewed regularly throughout the year to ensure that only appropriate costs and revenues are recognised and that no prohibited services are being provided. In addition, a more thorough review is performed as part of the preparation of the annual regulatory accounts, which are subject to independent audit
- Controls are in place to identify and notify the finance team of related party transactions that have occurred to ensure that they are adequately disclosed in our statutory financial statements and regulatory accounts.

### 3.2.2 Quarterly Compliance Assessment / Reporting

AusNet Services maintains an internal compliance reporting register to capture relevant industry obligations. This register includes ring-fencing compliance obligations that are required to be attested to on a quarterly basis. This process is outlined in further detail in Section 7 of this report.

### 3.3 Corrective Controls

#### 3.3.1 Assignment of obligations to responsible person (accountability)

AusNet Services requires its employees to recognise and report breaches, including situations where there is a risk of a breach occurring, so that improvements can be made. AusNet Services operates a 'risk based' compliance monitoring regime with obligations assigned to Responsible Persons in business units who are best placed to manage and monitor compliance with an obligation in the conduct of their work activities.

Responsible Persons are periodically required to attest to the status of obligation compliance (providing evidence where appropriate) demonstrating that compliance has been achieved. Accountability for compliance with obligations is through Line Managers. Failure to manage compliance obligations in line with performance expectations may result in disciplinary action.

### 3.4 Challenges

AusNet Services has established business arrangements that align with the ring-fencing guideline and facilitate compliance. This is built on the separation of regulated and commercial business activities into separate divisions of the business, an initiative that preceded the ring-fencing guideline. The DNSP, AusNet Electricity Services, uses the 'AusNet Services' logo to brand its regulated distribution services. The logo is the logo of the AusNet Services group, and hence also identifies group publications, such as the AusNet Services Annual Report.

Prior to the establishment of ring-fencing arrangements, the AusNet Services brand was sometimes identified with the provision of affiliated entity contestable electricity distribution services. Subsequently, separate and independent branding has been stipulated.

Notwithstanding this, there have been examples of where communications may have confused which entity was the subject of the communication. Communications is an area where style is developed over time and successful practice repeated. AusNet Services continues to strive to eliminate such occurrences, principally through providing further education and training. A group wide brand review will also seek to address any inherent risk.

Specific communications referred to above are:

- A media release advising of AusNet Services participation in the delivery of a 30MW battery at Ballarat. The participating entity is AusNet Services electricity transmission entity. At the bottom of the media release other current AusNet Services projects were noted, some in which the DNSP is participating, and in other cases an affiliated contestable service provider. Once identified, this further information was removed from the media release;
- The occurrence of a workshop held in Wodonga by Mondo, involving community and political representatives, was posted on AusNet Services Facebook page. The post has subsequently been removed.

Neither of these communications was marketing products and services, and whilst we do not think they were a source of harm and in contravention of the Guideline, we nevertheless have taken the action identified to make it clear across the business that care must be taken in promotional exercises not to blur the lines. We fully expect the learning from these communications to mitigate future similar occurrences.

From an accounting separation perspective, our detective controls described in section 3.2 have identified that there continues to be a number of legacy capital projects recorded in the DNSP financial accounts that are unregulated in nature. These projects are separately identifiable and are in the process of being transferred out of the DNSP financial accounts to ensure that the accounting separation criteria of the guideline continues to be met.

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### 3.5 Risk areas

#### 3.5.1 Branding

As noted above, The AusNet Services logo is the logo of the AusNet Services group. Whilst this does not conflict with the Guideline, a review of branding is in progress at the time of this report, to clarify to the branding of our services.

#### 3.5.2 Staff Sharing

AusNet Services maintains a list of functions (the nature of roles) that can be shared on its website. Sharing of staff does not occur outside of these arrangements, and indeed, is not a regular practice. There is a low risk that bespoke arrangements for staff sharing arise, however this eventuality is mitigated by many surrounding controls, such as locational separation of staff, identification of inconsistency through cost allocation processes and oversight by senior management.

#### 3.5.3 Training

As a large organisation AusNet Services has a broad range of HR activities that occur on a continuous basis including recruitment, promotions and transfers and secondments. This means that there is a continuous influx of new staff members and staff members with new or changed responsibilities. Online Ring-fencing training has been developed that can be provided to new staff or staff in new roles.

#### 3.5.4 Business Practice Improvements

Through working with the Guideline, and through the preparation of this report, opportunities for further business practice improvements have been identified and will be implemented. These are discussed in the following table.

Business activity	Opportunity	Compliance risk
New Employee Induction	To ensure that new employees are aware of the Guideline, ensure AusNet Services Induction material includes information on Ring-fencing Guideline obligations.	If new employees are not as familiar of the Guideline as existing staff then they may breach the guidelines unknowingly.
Site Access Reporting	Establish regular reviews of staff access to AusNet Services sites to ensure that access requirements meet current staff accountabilities.	If AusNet Services employees change roles or working sites and do not have their site access changed then there they may be breaching the guideline for site sharing.
Review of agreements between Related Energy Service Provider	Investigate instituting regular reviews of the Statements of Works established with affiliated entities to ensure that terms are continued to be compliant with the Guideline.	If overtime the cost or performance of certain services covered by the SOWs change then the terms may be perceived as discriminating for the affiliated entity.

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Employee movement	Includes steps in the employee movement process to ensure any staff that move between the distribution business and affiliated entities or vice versa have the correct system, site and information access.	If AusNet Services employees roles or organisation structure changes without changing staff access then the staff may have access to sites or information in breach of the Guideline.
Compliance Reporting	Ensure that Ring-fencing compliance time frames for breach reporting (five business days) are reflected in the process and staff understanding.	If AusNet Services employees are aware of the AusNet Services Breach Procedure but not Guideline requirements then they may not notify with the required time.

## 4 Breaches

Under clause 6.2.1(b)ii any breaches of the Guideline by the DNSP must be reported in the annual compliance report. This means that any material breaches already reported to the AER, and any breaches not already reported to the AER, must be reported upon within the annual compliance report. Under clause 6.3 of the Guideline, a DNSP must notify the AER in writing within five business days of becoming aware of a material breach of the Guideline.

AusNet Services has not identified any breaches of the Guideline since its commencement on 1 January 2018.

## 5 Other services

Clause 3.1 of the Guideline sets out the specific circumstances under which DNSPs can provide 'other services' without breaching the Guideline. In accordance with 6.2.1(b)iii these services must be reported in the annual compliance report. Specifically, the provision of 'other services' is subject to the granting of ring-fencing obligation waivers by the AER (clause 3.1(d)vi).

AusNet Electricity Services, the DNSP, has been granted a waiver for the provision of electricity services at Mt Baw Baw, where service arrangements have been in place since 1997. Subject to the waiver, these services continue to be provided as outlined in the waiver application.

AusNet Electricity Services has also been granted waiver from its obligations under clauses 3.1, 4.2.1, 4.2.2 and 4.2.3, which enable it to continue to provide the following activities which are classified as Negotiated Services or Unclassified Services in the current applicable AER service classification:

- Alteration and relocation of distributor public lighting assets
- New public lights
- Reserve feeder construction
- Emergency recoverable works
- Installation, repair and maintenance of watchman lights

Since being granted waivers these services continue to be available to customers.

## **6 Transactions with affiliate entities**

Sub-Clause 6.2.1(b)iv of the Guideline requires that distributors report on the purpose of all transactions between them and their affiliated entities.

2017 was a transition year, and accordingly will include transactions between the entities associated with establishing ring-fenced business arrangements, as well as for services provided by the DNSP by affiliated entities in relation to the provision of its regulated services, and for services rendered to affiliates of the DNSP. Each of these types of transaction is included in this report.

The schedule of 'purpose of transactions' is provided in Appendix 1.

## **7 Compliance Reporting System**

AusNet Services maintains a compliance policy and framework that is managed by the Governance Division and aligns with compliance standard AS/ISO 19600:2015.

The effectiveness of the compliance policy & framework is overseen by the Board Audit & Risk Management Committee (ARMC). The effectiveness of the policy and framework is also subject to periodic audit by external regulators and auditors.

The Governance Division also provides a range of compliance awareness training, advisory and assurance services.

Obligations are identified, recorded and assigned to 'responsible persons' in a centralised database. Responsible Persons ensure that these obligations are appropriately embedded in business activities including policies, processes, procedures, systems and tasks. As part of the Project, Responsible Persons for Ring-Fencing obligations were identified, recorded and assigned in the compliance database.

AusNet Services adopts a risk based approach to compliance monitoring and assurance with Responsible Persons periodically attesting to the state of compliance. The attestations and supporting evidence provided by Responsible Persons is independently reviewed by the Governance Division from a quality perspective and where appropriate clarification of responses is sought.

Processes also exist for employees, including contractors to report potential regulatory breaches at any time.

Where applicable the Governance Division ensures that breaches are reported to the relevant agency/ regulator within prescribed timeframes and monitors delivery of corrective actions.

The Governance Division also provides the business, including Executive Leadership Team with monthly divisional compliance performance data. Confidential compliance papers are also provided to the ARMC on a bi-annual basis.



## **8 Independent assessment**

AusNet Services engaged Ernst and Young to provide an independent assessment of compliance. The assessment is provided to the AER together with this report. Ernst and Young concluded that AusNet Services ring-fencing compliance performance was strong in managing compliance with the majority of obligations, but also found that improvement in processes could be made in a number of areas to provide greater assurance of compliance.

AusNet Services has accepted the recommendations of EY and has identified management actions in response. These are included in the final assessment report provided to the AER. These are also included within the risk items discussed in section 3.5.



## Appendix 1 : Purpose of Transactions

Appendix 1 will consolidate individual transactions that share a common purpose together under a common description of the business activities relating to the transactions.

Affiliated Entity	Reason for Transaction	Status
Geomatic Technologies Pty Ltd	Preventative Maintenance	Service concluded in 2017. Not continued in 2018.
AusNet Transmission Pty Ltd	Preventative Maintenance - Non-invasive testing	Service covered under Master Services agreements between the DNSP and AusNet Transmission Pty Ltd
AusNet Transmission Pty Ltd	Preventative Maintenance – Calibration and Projects	Service covered under Master Services agreements between the DNSP and AusNet Transmission Pty Ltd
AusNet Transmission Pty Ltd	Preventative Maintenance - Asset Inspection	Service concluded in 2017. Not continued in 2018.
AusNet Transmission Pty Ltd	Preventative Maintenance - Chemical Testing	Service covered under Master Services agreements between the DNSP and AusNet Transmission Pty Ltd
AusNet Transmission Pty Ltd	Preventative Maintenance - Condition Monitoring	Service covered under Master Services agreements between the DNSP and AusNet Transmission Pty Ltd
AusNet Transmission Pty Ltd	Corrective Maintenance - Condition Monitoring	Service covered under Master Services agreements between the DNSP and AusNet Transmission Pty Ltd
AusNet Transmission Pty Ltd	Corrective Maintenance - Non-invasive testing	Service covered under Master Services agreements between the DNSP and AusNet Transmission Pty Ltd
AusNet Transmission Pty Ltd	Corrective Maintenance - Calibration and Projects	Service covered under Master Services agreements between the DNSP and AusNet Transmission Pty Ltd
AusNet Transmission Pty Ltd	Corrective Maintenance - Asset Inspection	Service concluded in 2017. Not continued in 2018.
AusNet Transmission Pty Ltd	Corrective Maintenance - Chemical Testing	Service covered under Master Services agreements between the DNSP and AusNet Transmission Pty Ltd
Select Solution Pty Ltd	Corrective Maintenance - Metering Services	Service covered under Master Services agreements between the DNSP and Select Solutions Pty Ltd

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Geomatic Technologies Pty Ltd	Inspection – Assessment activities	Service covered under Master Services agreements between the DNSP and Geomatic Technologies Pty Ltd
AusNet Transmission Pty Ltd	Inspection – Inspection works	Service covered under Master Services agreements between the DNSP and AusNet Transmission Pty Ltd
AusNet Transmission Pty Ltd	Inspection - Non Invasive Testing	Service covered under Master Services agreements between the DNSP and AusNet Transmission Pty Ltd
Select Solution Pty Ltd	Inspection – Asset Inspection works e.g. Ground Based Inspections	Service discontinued in 2017, moved to AusNet Services Distribution.
Select Solution Pty Ltd	Vegetation Management	Service discontinued in 2017, moved to AusNet Services Distribution.
Geomatic Technologies Pty Ltd	Demand Management works	Service concluded in 2017. Not continued in 2018.
Select Solution Pty Ltd	Metering - Metering Services (direct and indirect costs)	Service covered under Master Services agreements between the DNSP and Select Solutions Pty Ltd
AusNet Transmission Pty Ltd	Network Operations - Chemical Testing	Service covered under Master Services agreements between the DNSP and AusNet Transmission Pty Ltd
Select Solution Pty Ltd	Unregulated works – including indirect unregulated costs	Services discontinued in DNSP in 2017, moved to Select Solution Pty Ltd.
Select Solution Pty Ltd	Telco Services	Services provided under the Shared Asset Guideline.
Geomatic Technologies Pty Ltd	Allocation of costs for distribution staff shared to deliver services.	Staff sharing arrangements to continue in 2018 in line with AusNet Services published Staff sharing register.