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9 November 2018

Mr Chris Pattas
General Manager Distribution
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Dear Mr Pattas

Victorian Electricity Distribution Determination 2021-25: Submission to preliminary Framework and Approach paper

AusNet Services is pleased to provide this submission to the Australian Energy Regulator (AER) on the preliminary Framework and Approach to apply to the distribution determination for the 2021-25 regulatory control period.

We generally support the approaches and positions set out in the AER's preliminary Framework and Approach paper and so our submission focuses on a small number of areas where further consideration is required. These issues include:

- The approach to ensuring an accurate allocation of costs to customers connecting distributed energy resources to the network.
- The approach to classification of connection services. The position set-out in the preliminary Framework and Approach paper is consistent with the existing approach to classifying connections. However, this is different from the base line list of services subsequently published by the AER in its Service Classification Guideline. Further consideration and consultation on the implications of any change to the Victorian connections framework should be carried out before a change is applied by the AER.
- Meter Exit Services. These should be classified as alternative control services to allow DNSPs to recover the residual asset value where a customer elects to have a meter removed.
- Type 7 metering services. These should remain as an alternative control service as this is consistent with the way these services are currently being delivered.

AusNet Services' views on these and other matters are provided in the attached submission.

We would be happy to meet with AER staff to further discuss this letter. If you have any queries in relation to this submission, please contact Michael Larkin, Senior Regulatory Economist on 03 9695 6346.

Sincerely,

Tom Hallam
General Manager – Regulation and Network Strategy
AusNet Services

Submission on preliminary Framework and Approach paper

Our detailed response on matters raised or additional areas for consideration are set out below.

Small Scale Incentive Schemes (SSIS)

AusNet Services intends to propose a new Customer Satisfaction Incentive Scheme using the small scale incentive scheme framework set out in the National Electricity Rules. The intent is to replace the telephone answering parameter in the Service Target Performance Incentive Scheme (STPIS) with an incentive scheme that more accurately reflects the needs and satisfaction of our customers. This Customer Satisfaction Incentive Scheme has been preliminarily agreed with the Customer Forum (which was set up to represent customers in AusNet Services' distribution price review, under the AER's New Reg process).

The telephone answering parameter simply measures the percentage of telephone calls answered in 30 seconds. We consider that this parameter focuses on one very narrow measure of customer service, which is not reflective of the actual services we deliver customers or their level of satisfaction. We will propose that the telephone answering parameter is not applied for AusNet Services in the 2021-25 regulatory period.[1] This parameter has a revenue at risk of 0.5%, which is the same as the revenue at risk we propose for the new SSIS. The intention of this is to ensure the total revenue at risk from incentive schemes applied to AusNet Services remains unchanged as a result of this proposal.

We appreciate that the AER has indicated that it is open to developing a new small scale incentive scheme. However, the AER has indicated that a paper trial (with no revenue at risk) may be an option they prefer. The appropriate level of revenue at risk was considered by the AEMC when developing the rule changes that introduced the Small Scale Incentive Scheme. The AEMC stated that:[2]

> *The sum of money at stake should balance the need to be high enough to understand how the scheme would be likely to operate but not so high that there would be a significant impact on a NSP if the scheme did not operate as intended.*
>
> *….*
>
> *The limits described above were considered high enough such that the effectiveness of a scheme would be able to be determined.*

Small scale incentive schemes are intended to be a trial, to discover any unintended consequences of a scheme, before a decision is made regarding whether to permanently implement the scheme through a rule change. The AEMC recognised that a paper trial of an incentive scheme may not place a meaningful incentive on the DNSPs and so would not provide evidence of the likely operation of the incentive scheme. We consider it is preferable to implement this scheme with 0.5% revenue at risk, which is what we intend to propose.

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[1] Clause 5.1(b) of the STPIS states that the telephone answering parameter will apply during a regulatory control period except where the AER determines otherwise in its distribution determination for a DNSP.

[2] AEMC, RULE DETERMINATION National Electricity Amendment (Economic Regulation of Network Service Providers) Rule 2012, pg197

Early indications are that our proposed SSIS would receive broad support from stakeholders, which we consider is recognition that it is superior to the current telephone answering parameter.

Classification of services

We have provided a revised listing of distribution services and proposed classifications as an attachment to this submission. This list is primarily based on the AER's preliminary F&A paper and we have also considered the AER's service classification guideline, which was released subsequently to the F&A paper.

Connections

The AER's preliminary F&A paper classifies connections as three types (basic, standard and negotiated). The preliminary F&A applies a classification of Alternative Control to the basic connections and Standard Control to the standard and negotiated connections. Despite changes in the terminology compared to the 2016-2020 regulatory period, we consider that this approach would leave the existing Victorian connections approach unchanged.

However, the AER's service classification guideline, which was released after the preliminary F&A, indicates a further disaggregation of connection services into premises connection assets, extensions and augmentations. For a basic connection, the proposed treatment is the same in both documents. Importantly, the service classification guideline suggests that for standard and negotiated connection services the premises connection assets should be classified as ACS services. Whilst we see merit in the AER's reasoning to move towards a stronger user pays framework, it is a change in approach and would have implications for the way connections are handled in Victoria.

Premises connection assets and extensions do not appear to be clearly delineated from each other. This has not previously been problematic because there is no difference in treatment between premises connection assets and extensions. However, if a different service classification is applied, it becomes very important for AusNet Services and its customers to understand the distinction. The appropriate place to provide clarity on these definitions is in a DNSPs connection policy. However, there will be uncertainty in the approach to connection charges until the DNSPs connections policies are approved by the AER.

Further consideration and consultation on the implications of any change to the Victorian connections framework should be carried out before a change is applied by the AER.

Transmission network support

The AER decided in the preliminary F&A not to classify the transmission network support service. This approach would make the service unclassified and unregulated, as requested by AusNet Services. In making its decision the AER examined two other possible classifications of this service and requested further input on the appropriate approach. We agree transmission network support should be an unclassified service. This allows AusNet Services to provide services to third parties using its distribution network and to pass the benefits of this back to the customers of its standard control services.

The AER expressed some concerns about the use of the shared asset guideline for these services and indicated that the shared asset guideline may need to be reviewed. We would be

happy to participate in a review of the AER's shared asset guideline. The shared asset guideline allows a DNSP to use existing network assets to provide unregulated services and pass some of this revenue back to customers who have funded the network. This is a beneficial situation for both AusNet Services and its customers and so should continue to be permitted. We understand a concern of the AER is that a DNSP would purposely incur additional expenditure on the regulated network in order to provide these regulated services and that these costs would exceed the benefit customers receive under the shared asset guideline. We consider that the cost allocation methodology is the appropriate instrument to ensure expenditure is allocated correctly and all DNSPs have cost allocation methodologies in place.

Community network upgrades

AusNet Services proposed a new service related to connecting community groups looking to facilitate the connection of a number of customers to our network. This arose from our experience in Yackandandah where a large volume of solar PV connections within a short period of time resulted in voltage issues, that required network investment to address – under the current arrangements these costs impacted the wider customer base. The proposed service would enable AusNet Services to negotiate and process connections for these community groups as though they were a single large connection, which would enable potential network issues to be more easily identified and costed to the beneficiaries of the connections.

The AER has chosen not to classify this service, which would prevent AusNet Services from providing this service in the next regulatory period. We do not agree with the AER's reasoning that leads to its decision not to classify this service. The AER raised three key objections:

- They consider there are equity issues with our proposed approach:
    - DER customers connecting collectively as community groups would be subject to higher connection costs than DER residential customers connecting on an individual basis
    - The connecting parties would run the risk of having their solar exports constrained in the future even after they have paid for an augmentation.
- Distributors cannot charge residential DER customers for network augmentation under the Rules.
- They do not consider that multiple PV installations can be considered as a single, larger connection, as they are not connected to any single connection point.[3]

As set out below we consider that there can be a more equitable outcome if we can negotiate with these community groups as a collective group. AusNet Services is unable to charge augmentation to individual customers who qualify for a basic micro embedded generation service. Two key requirements to qualify for AusNet Services basic micro embedded generation service are:

- Minimal or no network augmentation is required; and
- The export must not exceed:
    - 5 kW in the case of single-phase connections; and
    - 3.5 kW in the case of SWER connections.

[3] While we agree that these groups do not physically constitute a single connection, we do not see this as a rules barrier to offering this service. This service could be designed to allow the localised augmentation charge to be levied on these customers as part of each individual connection offer. These offers could be submitted and processed concurrently, even though they are technically individual connections.

If a customer cannot connect without an augmentation then, in accordance with the AusNet Services connection policy, they do not qualify for a basic micro embedded generation service. In these cases the customer is generally offered an export limited connection as an alternative to a negotiated connection where they would be required to fund augmentation. However, if a customer chose to proceed as a negotiated connection, they could pay for the removal of a specific constraint to allow them to connect. In practice, this does not happen as the cost of augmenting the network is prohibitive for an individual customer.[4] However, this creates an equity issue, where the first customers to connect can do so without contributing to the cost of the shared network and then once a constraint is reached, future connections are export limited (or face a prohibitive connection charge).

Importantly, when processing multiple connections concurrently, it can be difficult to determine exactly when to start export limiting customers and so it is possible that an augmentation will be triggered. This is explained further in the Yackandandah case study published in the AEMC's Economic Regulatory Framework Review.[5] Undertaking community network upgrades as a collective project would allow AusNet Services to co-ordinate and spread the cost of necessary augmentations across a wider customer base. The alternatives are:

- Once the limits are reached, all future customers are export limited; or
- A single customer that triggers a network upgrade bears the cost – If this customer can be identified and they are willing to pay. Future connecting customers benefit from this single customer's expenditure.

Our proposed approach would minimise the number of connections that are export limited and ensure that the local network can support all the new DER connections. We consider that our approach would enhance the overall equity of the connection process when dealing with localised roll-outs of DER.

Metering Services

The AER has not made a decision on the metering classifications that would apply if metering contestability is introduced. The AER considers that appropriate transition arrangements would need to be made in the enabling legislation. This differs from the approach the AER took in the 2016-2020 regulatory period, where it classified these services in anticipation of a possible change in metering contestability. We consider this was a prudent and sensible approach.

However, we consider that meter exit services should be classified, regardless of whether metering contestability is introduced or not. Where a meter is decommissioned an exit service should allow DNSPs to recover the written down value of the meter from the customer requesting the removal. This ensures that the asset does not remain in the metering RAB and its cost recovered from all other metering customers. This situation currently arises when an embedded network is created and it is appropriate that the costs are recovered from the party establishing the embedded network.[6]

[4] Additionally, at the time of connection there would be capacity to export, however in the open access regime, we do not guarantee this capacity into the future.

[5] Australian Energy Market Commission, Economic Regulatory Framework Review, Promoting Efficient Investment In The Grid Of The Future, 26 July 2018

[6] For safety reasons, AusNet Services would not apply the exit service to abolishments, as this may lead to sites being abandoned in an unsafe manner in order to avoid the cost of a meter exit service.

Type 7 Metering

At the public forum on the F&A paper the AER indicated that it may move Type 7 Metering to Standard control. It stated that this was consistent with other jurisdictions and appropriate as there is no possibility of this service becoming contestable.

We consider this is properly classified as an ACS service for the following reasons.

- With the 5 minute settlement and global settlement rules AusNet Services is required to calculate, store and enter into MSATS 5 minute interval data for all type 7 meters. This requires extensive use of our metering IT systems, which are predominately allocated to the provision of ACS services.[7] It is appropriate that the cost of this service is recovered in a manner consistent with the cost allocation of the systems used to deliver the services.
- This service is provided to an identifiable subset of customers who benefit from the services provided and so it is appropriate that they are charged for that service.

As such, we consider maintaining the existing classification as an alternative control service remains appropriate.

Additional Services

Having reviewed the AER's Service classification guideline, we consider there are a several additional services in the AER's baseline list of services that are applicable to AusNet Services and should be classified in the 2021-25 regulatory period. These are:

- Third party request for de-energising wires for safe approach
- Supply enhancement of basic connection services (e.g. upgrade from single phase to three phase)
- Calculation of a site specific distribution loss factor on request in respect of a generating unit up to 10 MW or a connection point for an end-user with actual or forecast load up to 40 GWh per annum capacity, as per clause 3.6.3(b1) of the NER
- Power factor correction

Finally, the AER indicates that it would include embedded network management under the connection application and management services. However, this service appears to have been accidently omitted from the table in appendix B. We agree with the AER's reasoning and this service should be included in the table of services.

[7] We note that we are likely to propose allocating some of these IT systems to SCS, because this data is increasingly being utilised for network purposes.

Form of control

We consider that the references to CPI in the form of control chapter are incorrect. As an example for standard control services the relevant CPI measure in the form of control is defined as follows.

> *ΔCPI is the annual percentage change in the ABS CPI All Groups, Weighted Average of Eight Capital Cities from the December quarter in year t–2 to the December quarter in year t–1, calculated using the following method:*
>
> > *The ABS CPI All Groups, Weighted Average of Eight Capital Cities for the December quarter in regulatory year t–1*
> >
> > *divided by*
> >
> > *The ABS CPI All Groups, Weighted Average of Eight Capital Cities for the December quarter in regulatory year t–2*

As AusNet Services' regulatory years are based on calendar years, a June to June CPI measure should be used, which ensures actual CPI is available for our annual pricing proposal. This is consistent with the approach in the 2016-2020 regulatory period.

Approach to depreciation

The AER must indicate whether depreciation for establishing the regulatory asset base as at the commencement of the following regulatory control period is to be based on actual or forecast capital expenditure. The preliminary F&A was silent on the approach to depreciation for the rolling forward the ACS metering RAB and ACS public lighting RAB to 1 January 2026. We consider actual depreciation is appropriate as there is no CESS operating in relation to these alternative control services in the 2021-25 regulatory period. This preserves AusNet Services' incentive to reduce capital expenditure in the 2021-25 regulatory period.

AusNet Services public consultation on regulatory proposal

AusNet Services will release a draft of our regulatory proposal in December 2018, this is eight months in advance of our regulatory submission to the AER and prior to the finalisation of the F&A paper. There will be several areas where stakeholder engagement on our draft proposal could impact the positions we take in our regulatory proposal. In particular:

- Customers will be able to provide comment on our proposed Small Scale Incentive Scheme (SSIS). We note that customers will also be able to provide comment as part of the AER's consultation process on the scheme design. Feedback through these processes could prompt us to reconsider some elements of the proposed scheme.
- We will request input from our customers on the appropriate manner to fund network augmentation to expand the capability of the network to handle DER.

These issues are unlikely to impact on the finalisation of the F&A paper. However we consider it appropriate to bring them to the AER's attention at this time.

Attachment: Victorian services classifications for 2021-25

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
Common distribution service - use of the distribution network for the conveyance/flow of electricity (including the services relating to network integrity)			
Common distribution service (formerly 'network services')	The suite of activities that includes, but is not limited to, the following: • the planning, design, repair, maintenance, construction and operation of the distribution network • works to fix damage to the network (including emergency recoverable works) • support for another distributor during an emergency event • procurement and provision of network demand management activities for distribution or system reliability, efficiency or security purposes • activities related to 'shared asset facilitation' of distributor assets[8] • emergency disconnect for safety reasons and work conducted to restore a failed component of the distribution system to an operational state upon investigating a customer outage • establishment and maintenance of National Metering Identifiers (NMIs) in market and/or network billing systems, and other market and regulatory obligations	Standard control	Standard control

[8] Revenue for these services is charged to the relevant third party and is treated in accordance with the shared asset guideline. 'Shared asset facilitation' refers to administrative costs. It does not refer to the costs associated with providing the unregulated service itself.

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
	• ongoing inspection of private electrical networks (not part of the shared network) required under legislation for safety reasons[9] • supply abolishment of basic connection[10] • customer safety information, e.g. 'dial before you dig' services • bulk supply point metering - activities relating to monitoring the flow of electricity through the distribution network • DNSP contribution to third-party initiated network asset relocations/re-arrangements under ESCV Guideline 14[11]		
Network ancillary services − customer and third party initiated services related to common distribution services			
Access permits, oversight and facilitation	Activities include: • a distributor issuing access permits or clearances to work to a person authorised to work on or near distribution systems including high and low voltage • a distributor issuing confined space entry permits and associated safe entry equipment to a person authorised to enter a confined space • a distributor providing access to switch rooms, substations and other network equipment to a non- Local Network Service Provider party who is accompanied and supervised by a distributor's staff member. May also include a distributor providing safe entry equipment (fall-arrest) to enter difficult access areas • specialist services (which may involve design related activities and	Unclassified	Alternative control

[9] The Victorian Electricity Safety Act 1998, clause 113F, requires Vic DNSPs to inspect overhead private electric lines.

10 This service is classified as Standard Control Services under the 2016-20 Determination for public safety reasons. Victorian DNSPs wish to continue with the classification.

[11] This classification applies where a customer contribution is calculated and applied in accordance with Essential Services Commission (ESCV) Guideline 14 or where a customer contribution is calculated and applied in accordance with any other relevant Victorian legislation or regulation, including regulations made under the National Electricity (Victoria) Act, 2005. The party requesting such works under this classification must pay the net cost of the works, subject to any rebates specified in Guideline 14 or by any other relevant Victorian legislation or regulation.

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
	oversight/inspections of works) where the design or construction is non-standard, technically complex or environmentally sensitive and any enquiries related to distributor assets • facilitation of generator connection and operation of the network • facilitation of activities within clearances of a Distributor's assets, including physical and electrical isolation of assets		
Sale of approved materials or equipment	• includes the sale of approved materials/equipment to third parties for connection assets that are gifted back to become part of the shared distribution network.	Unclassified	Alternative control
Notices of arrangement and completion notices	Examples include: • work of an administrative nature where a local council requires evidence in writing from the Distributor that all necessary arrangements have been made to supply electricity to a development. This may include receiving and checking subdivision plans, copying subdivision plans, checking and recording easement details, assessing supply availability, liaising with developers if errors or changes are required and preparing notifications of arrangement. • provision of a completion notice (other than a notice of arrangement). This applies where the real estate developer requests the Distributor to provide documentation confirming progress of work. Usually associated with discharging contractual arrangements (e.g. progress payments) to meet contractual undertakings.	Unclassified	Alternative control
Network related property services	• network related property services such as property tenure services relating to providing advice on, or obtaining: deeds of agreement, deeds of indemnity, leases, easements or other property tenure in relation to property rights associated with a connection or relocation. • conveyancing inquiry services relating to the provision of property conveyancing information at the request of a customer.	Unclassified	Alternative control

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
Network safety services	Examples include: • provision of traffic control and safety observer services by the Distributor where required • fitting of tiger tails, possum guards and aerial markers • high load escorts • third party request for de-energising wires for safe approach • site visit relating to location of underground cables/assets.	Alternative control	Alternative control
Planned Interruption – Customer requested	Examples include: • where the customer requests to move a distributor planned interruption and agrees to fund the additional cost of performing this distribution service outside of normal business hours	Unclassified	Alternative control
Inspection and auditing services	Activities include: • inspection and reinspection by a Distributor, of gifted assets or assets that have been installed or relocated by a third party • investigation, review and implementation of remedial actions that may lead to corrective and disciplinary action of a third party service provider due to unsafe practices or substandard workmanship • auditing of a third party service provider's work practices in the field • re-test at a customer's installation, where the installation fails the initial test and cannot be connected.	Alternative control	Alternative control
Provision of training to third parties for network related access	Training services provided to third parties that result in a set of learning outcomes that are required to obtain a distribution network access authorisation specific to a Distributor's network. Such learning outcomes may include those necessary to demonstrate competency in the Distributor's electrical safety rules, to hold an access authority on the Distributor's network and to carry out switching on the Distributor's network. Examples of training might include high voltage	Unclassified	Alternative control

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
	training, protection training or working near power lines training.		
Authorisation and approval of third party service providers design, work and materials	Activities include: • authorisation or re-authorisation of individual employees and subcontractors of third party service providers and additional authorisations at the request of the third party service providers (excludes training services). • acceptance of third party designs and works • assessing an application from a third party to consider approval of alternative material and equipment items that are not specified in the Distributor's approved materials list	Alternative control	Alternative control
Security lights	Provision, installation, operation and maintenance of equipment mounted on a Distributor's pole used for security services, e.g. nightwatchman lights Note: excludes connection services.	Unclassified	Alternative control
Customer requested provision of electricity network data	Data requests by customers or third parties including requests for the provision of electricity network data ~~or consumption data outside of legislative obligations~~.	Unclassified	Alternative control
Third party requested network alterations or other improvements	Alterations or other improvements to the shared distribution network to enable third party infrastructure (e.g. NBN Co telecommunications assets) to be installed on the shared distribution network. This does not relate to upstream distribution network augmentation.	Alternative control	Alternative control
Metering Services - activities relating to the measurement of electricity supplied to and from customers through the distribution system (excluding network meters)			

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
Type 1 to 4 metering services	Type 1 to 4 metering installations[12], including the instrument transformer (as per the definition of a 'metering installation' in Chapter 10 of the NER) and supporting services are competitively available.	Unregulated	Unregulated

Types 5 and 6 meter (including smart meter) services where the Distributor is responsible	Activities include:
	• recovery of the capital cost of type 5 and 6 metering equipment[13] including communications network (including meters with internally integrated load control devices)
	• testing, inspecting, investigating, maintaining or altering existing type 5 or 6 metering installations or instrument transformers
	• quarterly or other regular reading of a metering installation
	• metering data services are those that involve the collection, processing, storage and delivery of metering data, the provision of metering data, remote or self-reading at difficult to access sites, and the management of relevant NMI Standing Data in accordance with the NER
	• Meter exit service activities include the removal and disposal of a type 5 or 6 metering installation:
	  ○ at the request of the customer or their agent, where an existing type 5, 6 or a AMI smart meter remains installed at the premises and a replacement meter is not required
	  ○ at the request of the customer or their agent, where a permanent disconnection has been requested where it has not been removed and disposed of by the incoming metering provider
		Alternative Control	Alternative Control

Auxiliary metering services (Type 5 to 7 (including smart meter)	Activities include: • requests to test, inspect and investigate, or alter an existing type 5 or 6 metering installation	Alternative Control	Alternative Control

[12] Includes the instrument transformer, as per the definition of a 'metering installation' in Chapter 10 of the NER.

[13] Includes the instrument transformer, as per the definition of a 'metering installation' in Chapter 10 of the NER.

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
where the Distributor remains responsible	• testing and maintenance of instrument transformers for type 5 and 6 metering purposes • non-standard metering services for Type 5 to 7 meters and any other meter types introduced • works to re-seal a type 5 or 6 meter due to customer or third party action (e.g. by having electrical work done on site) • change distributor load control relay channel on request that is not a part of the initial load control installation, nor part of standard asset maintenance or replacement • remote de-energisation and re-energisation • remote meter configuration • field based special meter read • office based special meter read • access to additional metering data[14]		
Type 7 metering services	Administration and management of type 7 metering installations in accordance with the NER and jurisdictional requirements. Includes the processing and delivery of calculated metering data for unmetered loads, and the population and maintenance of load tables, inventory tables and on/off tables.	Alternative control	Alternative control
Connection Services[15] - services relating to the electrical or physical connection of a customer to the network			
Basic connection services	Means a *connection service*[16] related to a *connection* (or a proposed *connection*) between a *distribution system* and a *retail customer's* premises (excluding a non-registered *embedded generator's* premises) in the following circumstances: (a) either:	Alternative control	Alternative control

[14] Clause 11(5) of the Advanced metering infrastructure (AMI Tariffs) Order (Gazette No. S 216 Wednesday 19 June 2013), allows a distributor to impose a charge for provision of interval meter data in certain circumstances.

[15] When discussing connections, we must consider how connection policies and chapter 5A of the NER impact the regulation of connection services. For this reason, we will not be able to completely address the classification of connection services in the classification guideline.

[16] Italics denotes definitions in Chapter 5A of the NER.

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
	1. the *retail customer* is typical of a significant class of *retail customers* who have sought, or are likely to seek, the service; or 2. the *retail customer* is, or proposes to become, a *micro embedded generator*; and (b) the provision of the service involves minimal or no *augmentation* of the *distribution network*; and (c) a *model standing offer* has been approved by the AER for providing that service as a *basic connection service*.		
Standard connection service	Means a connection service (other than a basic connection service) for a particular class (or sub-class) of connection applicant and for which a model standing offer has been approved by the AER.	Standard control	Standard control
Negotiated connection service	Means a connection service (other than a basic connection service) for which a DNSP provides a connection offer for a negotiated connection contract This includes connections under Chapter 5 of the NER.	Standard control	Standard control
Connection application and management services	Works initiated by a customer or retailer which are specific to the connection point. Includes, but is not limited to: • field base de-energisation[17] and re-energisation • non basic supply abolishment or reposition non-basic connection • temporary connections (of a size less than the shared network augmentation threshold) as a basic connection service e.g. builder's supply, fetes, etc. • standard and negotiated temporary connections (of a size greater than	Alternative control	Alternative control

[17] De-energisation services related to business as usual activities and de-energisation services that may relate to changing over meter types

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
	the shared network augmentation threshold) for construction of large buildings and public transport infrastructure (e.g. rail lines, roads and tunnels). • overhead service line replacement – customer requests the existing overhead service to be replaced (e.g. as a result of a point of attachment relocation). No material change to load • protection and power quality assessment • supply enhancement of basic connection services (e.g. upgrade from single phase to three phase) • customer requested change requiring secondary and primary plant studies for safe operation of the network (e.g. change protection settings) • upgrade from overhead to underground service • rectification of illegal connections or damage to overhead or underground service cables • calculation of a site specific distribution loss factor on request in respect of a generating unit up to 10 MW or a connection point for an end-user with actual or forecast load up to 40 GWh per annum capacity, as per clause 3.6.3(b1) of the NER • power factor correction • embedded network management • assessing connection applications or a request to undertake relocation of network assets as contestable works and preparing offers • processing preliminary enquiries requiring site specific or written responses • undertaking planning studies and associated technical analysis (e.g. power quality investigations) to determine suitable/feasible connection options for further consideration by applicants • liaising with groups representing multiple connecting parties (e.g. community group upgrades) • site inspection in order to determine the nature of the connection service		

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
	sought by the connection applicant and ongoing co-ordination for large projects • registered participant support services associated with connection arrangements and agreements made under Chapter 5 of the NER.		
Enhanced connection services	Other or enhanced connection services provided at the request of a customer or third party that include those that are: • provided with higher quality of reliability standards, or lower quality or reliability standards (where permissible) than required by the NER or any other applicable regulatory instruments. This includes reserve feeder installation and maintenance. • in excess of levels of service or plant ratings required to be provided by the Victorian Distributors	Alternative control/ negotiated/ unclassified	Alternative control
Public Lighting - lighting services provided in connection with a distribution network			
Public lighting	• operation, maintenance, repair and replacement public lighting services • alteration and relocation of public lighting assets • new public lighting services incl. greenfield sites & new light types (Distributor provided). • provision, construction and maintenance of emerging public lighting technology	Alternative control/ negotiated	Alternative Control