



Revised Proposal Attachment 8.05 Ancilliary Network Services

January 2019

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We have adopted the AER's Draft Decision on most aspects relating to our ancillary network services (ANS). This includes applying the AER's benchmark labour rates – the key input into our ANS prices. Ausgrid is also committed to working with stakeholders as we transition to a new pricing structure and develop ways to improve transparency in billing.

1 Ancillary network services

1.1 Overview

Ancillary Network Services are non-routine services Ausgrid provides to individual customers on an 'as needs' basis. Examples of these services include providing design related information for connections to be made to our network, special meter reads and site establishment fees.

The common characteristic of ancillary network services is that they involve activities performed at a customer's (or their agent's) request. In this way, they are different from other services, such as network services, that are provided to our broad customer base.

The largest volume of ancillary network services that we provide relates to facilitating new connections to the network and specific requests from retailers to perform certain activities, such as a disconnection and/or reconnection to the network. Both of these services are provided to less than 3% of our 1.7 million customers per year.

To recover our costs associated with ancillary network services, we levy fees on the requesting party. Typically, this is an energy retailer or an Accredited Service Provider, who requests a service on the behalf of a customer.

The fees that we charge may be either of the following:

- a fixed fee — based on the average time required to deliver a service
- a quoted fee — which is subject to variance depending on the task, materials and time involved in performing the service.

In our previous regulatory proposal, we put forward 113 fixed and quoted fees. Of these, 93 comprised of 'connection related' ANS fees.

In this Revised Proposal, the number of connection related ANS fees remains at 43. The lower number of proposed fees compared to our 2014-19 regulatory period is driven by a rationalisation process we have undertaken to simplify our charging structure. Our previous regulatory proposal adopted a highly granular approach in which a single service had multiple fees attached to it. As a result, our charging structure was difficult to implement and lacked transparency for customers. We have sought to address this in our proposal for the 2019-24 regulatory period by consolidating fees

relating to the same service. We note that this rationalisation and simplification of our fees was accepted by the AER in its Draft Decision.

A worksheet for each service or service group is provided as Attachment 8.06. These worksheets:

- provide detail fee calculations
- outline the AER's current service description
- set out what is involved in providing the service
- show the current and proposed price.

This attachment sets out the general approach we have taken to develop our proposed ANS fees. A summary of how we have responded to key findings in the AER's Draft Decision is outlined below.

Table 1

Summary of our response to AER Draft Decision and submissions

	AER FINDING / SUBMISSION	OUR RESPONSE
1. Charging structure	Our revised charging structure, which removed unnecessary complexity and improved cost reflectivity, was accepted.	We have applied the same simplified charging structure but added additional fees which were inadvertently excluded from our Initial Proposal (see Table 4). We also simplified charging structure for Authorisation of ASPs (see Table 5). In addition, we have corrected a compilation error in commissioning assets simple / standard. The proposed adjustment will result in a slight lowering of the proposed fixed price.
2. Labour rates	Benchmarking analysis led to a reduction in our proposed labour rates. Our forecast of labour price changes was also not accepted.	We have accepted the AER's Draft Decision and applied its benchmark labour rates. This includes the AER's approach to labour escalation. However, we have incorporated the latest forecasts, resulting in a different labour escalation forecast to the AER's Draft Decision.
3. Stakeholder consultation	Ausgrid must engage more with stakeholders about our new charging structure and improve the clarity of our pricing.	Ausgrid is committed to working with stakeholders as we transition to a new charging structure and to improve the transparency of billing. We outline how we will do this in Section 1.5 below.
4. Service Descriptions	Both stakeholders and the AER emphasised the importance of clearly describing the scope of activities that will be included in an ANS service.	We have made changes to the service descriptions of certain ANS fees to address the feedback received on our Initial Proposal. For transparency, we have set out all service description changes in Appendix C.

We have also made the following updates/inclusions to suite of fees included in our ANS pricing models:

- in line with stakeholder feedback, we have reviewed the content of the "Design Information - simple" fixed fee model and made an adjustment to the assumed "time taken" (3.5hrs reduced to 3.05hrs)
- three additional fees inadvertently left off our Initial Proposal have been added. These are traffic control, NMI extinction and metering site alteration (see section 1.3, table 4 below).

1.2 Labour rates

We accept the application of the AER's benchmark labour rates in its Draft Decision and have applied them to the development of our ancillary network service prices in our Revised Proposal.

The AER's benchmark labour rates which we have applied are outlined in Table 2. These include a new labour category called "Engineering Manager" which was accepted by the AER and will apply with respect to two services – 'engineering consulting' and 'applications for items to be included in our approved materials list'. Our forecast real cost escalators are set out in Table 3.

Table 2

Revised proposed labour rates (\$real FY19)

	REVISED PROPOSAL	APPLIES AER DRAFT DECISION (Y/N)
Admin	\$102.26	Y
Technical Specialist	\$153.39	Y
Engineer	\$191.74	Y
Field worker	\$147.83	Y
Senior Engineer	\$210.91	Y
Engineering Manager	\$255.54	Y

Table 3

Revised proposed labour escalators for ANS

	FY20	FY21	FY22	FY23	FY24
Labour price escalator	0.33%	0.64%	1.05%	1.28%	1.14%

The labour escalators in the table above apply the AER's method of calculation in its Draft Decision. Namely, they have been calculated using the average of our consultant (BIS Oxford Economics) and the AER's consultant (Deloitte Access Economics) forecast of real price growth in labour. We have also applied updated forecasts from BIS Oxford Economics to calculate the average forecast change in real labour.

1.3 Charging structure

The AER's Draft Decision accepted our proposal to rationalise and consolidate our connection related ANS fees.

Our aim in consolidating existing ANS services and fees in our Initial Proposal was to develop a more simplified charging structure. This is targeted at delivering greater transparency in ANS billing for our customers and to assist them in better understanding our fee structure. In addition, the charges proposed seek to be more cost reflective of the effort involved and reduce cross subsidisation.

Our Revised Proposal maintains the simplified charging structure accepted by the AER in its Draft Decision. This is with the exception of adding four ANS fees which were inadvertently excluded in our Initial Proposal. We have also taken steps to introduce further simplification to our fee structure for the authorisation of ASPs.

The additional fees which were excluded from our Initial Proposal are detailed in Table 4. They have been developed using the AER's Draft Decision on our benchmark efficient labour rates. Full service descriptions are set out attachments 8.06.01 and 8.06.08.

Table 4

Additional fees not included in Initial Proposal (\$real FY19)

SERVICE	CONTROL MECHANISM	SERVICE GROUP	PRICE / CHARGE
Traffic Control	Quoted	Network safety	\$591.32
Substation connect and reconnect	Quoted	Network safety	\$295.66
Facilitation of activities within clearances of distributor assets	Quoted	Access permit oversight and miscellaneous	\$783.06
Metering Site Alteration	Fixed	Metering related ANS	\$30.68
NMI Extinction	Fixed	Metering related ANS	\$30.68

Note: Quoted services fees shown in this table are estimates for a typical application of each service. Specific fees will be quoted at the time the services are requested by a customer.

Table 5 and table 6 compare our Initial and our Revised Proposal for the authorisation of ASPs. It shows that we have renamed two fees and removed “ASP Level 1 – Upgrade to include additional class”. We are also proposing a fee reduction for ASP Level 1 – Initial Authorisation or Additional Authorisation Session. Our Revised Proposal puts forward a fixed fee of \$230.09 (\$real FY19) for an ASP 1 authorisation, compared to \$311.39 (\$real FY19) for the equivalent service in our Initial Proposal. This reduction in price reflects an internal review and change to the costs we will incur in the delivery of this service.

Table 5

Authorisations of ASPs – Initial Proposal (\$real FY19)

	CONTROL MECHANISM	PRICE / CHARGE
ASP Level 1 - Authorisation/Re-authorisation (Annual Fee)	Fixed	\$ 311.39
ASP Level 1 - Recording of an additional company to existing authorisation	Fixed	\$ 49.92
ASP Level 1 - Upgrade to include additional class	Fixed	\$ 168.17

Table 6

Authorisations of ASPs – Revised Proposal (\$real FY19)

	CONTROL MECHANISM	PRICE / CHARGE
ASP Level 1 - Initial Authorisation or Additional Authorisation Session	Fixed	\$ 230.09
ASP Level 1 - Authorisation Renewal or Additional Company to Existing Authorisation	Fixed	\$ 51.13

1.4 How we have arrived at greater simplification

Our revised charging structure arrives at greater simplification of ANS by reducing the overall number of individual services from 120 (excludes metering ANS) down to 69. Of those 69 proposed individual services:

- 49% (34) result from service consolidation / simplification or remain unchanged
- 32% (22) are new services facilitated by the revised service classification
- 13% (9) are new services that provide additional granularity to existing services
- 6% (4) are new services to ANS where charging arrangements previously resided in Connection Policy

Appendix A provides a list of new services and the rationale behind their introduction. We have also ‘mapped’ our existing connections related ANS charging structure to our 2019-24 fee structure accepted by the AER in its Draft Decision in Appendix B. Both the list of new services and their mapping were provided to the AER in advance of it making its Draft Decision. We are providing the mapping in this Revised Proposal for ease of reference and to assist with the transparency of the regulatory process and AER engagement.

Our revised ANS proposal also includes minor definitional changes to a limited set of fees predominantly relating to the "Design related services" and "Connection application related services". The changes have been made to remove ambiguity and respond to feedback we have received from external stakeholders. A marked-up version of all changes is set out in Appendix C.

1.5 Transparency in billing

In its Draft Decision the AER stated:

“We urge Ausgrid to ensure its charging practices are transparent to avoid unexpected charges to bills to ASPs. Ausgrid should provide clear information on quoted services including the types and amount of labour so stakeholders may understand their bill.”¹

Ausgrid acknowledges the importance of transparency in our ANS billing. In line with this, we recently undertook an internal review of our approach to billing customers for “Design Related ANS Services”.

In undertaking this review, we identified ways to improve the process for recording data on the “time taken” by an Ausgrid manager, engineer or administrative staff member in the delivery of a service to an ASP or other customer. These improvements will broaden the scope of information which we are able to provide in relation to the tracking and reconciliation of the time allocated to a project.

We are working to finalise this review in early 2019 and are committed to rolling out the improvements we make to all ANS service groups. The improvements, in our view, will address the concerns raised by stakeholders and the AER by resulting in billing which more clearly sets out how a fee has been calculated. We will nonetheless continue to engage with our customers to ensure that the changes which are making align with their expectations.

It should also be noted that within our local network service area there are currently more than 3,000 active contestable projects, which Ausgrid helps facilitate through ANS. The level of complexity inherent in our current ANS pricing structure makes tracking and reconciling the hours spent by Ausgrid staff on each individual project challenging and costly. We are of the view that the more simplified pricing structure accepted by the AER at the Draft Decision stage will remove many of the issues we currently have. Ultimately, this will allow for greater transparency in how we have calculated ANS charges set out on a customer’s bill.

1.6 Engagement with stakeholders about new pricing structure

As noted in our Initial Proposal, we will introduce an updated pricing structure in the 2019-24 regulatory period. In the lead up to this transition Ausgrid will undertake a consultation process with accredited service providers (ASPs) and other stakeholders. We consider this necessary to allow for a smooth change to our new, more cost reflective pricing structure. Forums for engagement will include our regular ASP seminars and meetings with various stakeholder bodies. Formal written advice of the changes will also be issued through various established channels well ahead of implementing the new pricing structure.

1.7 Appendices

We have attached the following appendices:

- New ANS service description (Appendix A)
- Mapping of current to 2019-24 charging structure (Appendix B)

¹ AER, Draft Decision: Ausgrid 2019-24 distribution determination, November 2018, p. 15-18.

- Tracked changed version of ANS service description updates (Appendix C).

Appendix A

New Ancillary Network Services (introduced in our Initial Proposal) – Definitions

SERVICE	DEFINITION
Pioneer Schemes	The requirement for pioneer schemes is set out in the AER's Connection Charges Guideline (2012). Under the NER Ausgrid is responsible for managing and accounting for Pioneer Schemes. This new service is aimed at recovering the associated management costs.
Asset creation	The costs of creating new assets within Ausgrid's business systems was embedded within the Design Information service in the FY14/19 regulatory period. Asset Creation is proposed as a separate service to provide better transparency and to address the wide variability in asset creation that occurs across projects.
Technical assessment - Applications or relocations	The FY 14/19 ANS structure did not adequately cover the required cost recovery associated with effort expended in assessment of connection applications that did not proceed to a connection offer. The new Technical Assessment service is proposed to remediate this anomaly.
Negotiated Connection Offer	This offer type and a provision to recover costs is covered under Chapter 5A of the NER. The costs to establish a negotiated offer was not previously listed as an ANS. This new ANS corrects that anomaly.
Site inspection	For the 14/19 Determination the costs for site inspection were embedded in Ausgrid's Connection Policy. Site Inspection is properly a 'service' and as such is proposed to be part of the ANS structure. (ref Chapter 5A, Clause 5A.D.4 of the NER)
Technical Support - Permanently Unmetered Supply (PUMS)	For the 14/19 Determination the costs associated with technical support for PUMS customers was covered by the established 'preliminary enquiry' service. The new service will provide improved clarity and transparency for our customers when a technical support only service is required.
Registered participant support	This ANS is proposed for enquiries and applications by participants / potential participants under Chapter 5 of the NER. The required service was not previously listed as an ANS.
Decommissioning assets	This ANS is aimed at recovering costs associated with protection setting changes, network checks and updating of data systems etc. when restoring the network following decommissioning of assets e.g. substations (contestable project). Similar activities as when commissioning assets. Costs are not currently recoverable under the 14/19 Determination and the new service will correct this anomaly.

SERVICE

DEFINITION

<p>Access Permits and Clearance to Work - Cancellation - Simple Access Permits and Clearance to Work - Cancellation – Complex</p>	<p>Both these services are proposed to close a gap in cost recovery under the FY14/19 ANS structure associated with effort expended in preparing and planning for a customer requested network access (access permit / clearance to work) where the customer subsequently cancels or reschedules their request within a set period.</p>
<p>Access permits - Install / remove overhead network earths</p>	<p>Part of the process work required to issue an Access Permit requires the installation of 'network earths'. This work can now be done by an suitability trained ASP OR it can be provided by Ausgrid if a customer so requests. This ANS is proposed to facilitate customer request for Ausgrid to install network earths.</p>
<p>Access Permits - confined space entry permit</p>	<p>Introduced to close a gap in cost recovery under the FY14/19 ANS structure associated with providing safe entry to Ausgrid infrastructure that is classified as 'confined spaces' under WHS Regulations e.g. certain underground cable pits or substations. Specialised equipment and procedures are required for safe entry.</p>
<p>Access Permits - Specialist services</p>	<p>Introduced to close a gap in cost recovery under the FY14/19 ANS structure associated with the need for Ausgrid to utilise specialist services e.g. engineering or environmental to assess site specific aspects of contestable designs or construction methods where necessary.</p>
<p>Notice of arrangements (early)</p>	<p>Notice of Arrangements is a current ANS in the FY14/19 regulatory period. However, an "early" Notice of Arrangements requires Ausgrid to calculate and establish security bonds or a banker's guarantee. The proposed ANS is aimed at recovering the additional cost of this activity which can vary on a project by project basis.</p>
<p><u>Authorisation of ASP/1's</u> Recording of an additional company to existing authorization Company Authorisation – Initial Company Re-authorisation (Annual Fee) <u>Authorisation of ASP/2's</u> Initial Authorisation Additional authorisation</p>	<p>The existing ASP/1 and ASP/2 fees are not granular enough to provide Ausgrid the flexibility to charge ASPs the most cost reflective fee for the services provided. The proposed structure of the fees assists in ensuring that both Ausgrid and ASPs are charging/charged the most appropriate application of the fees. For individual ASP/1 authorisation fees in particular, a review of processes and introduction of new fees will see ASPs receive a net decrease in the fees that they will be paying Ausgrid for these services.</p>
<p>Authorisation of ASP/3's Authorisation/Re-authorisation (Biennial Fee)</p>	<p>Ausgrid has provided ASP3 designers access to a greater range of network information. In turn, this enables them to interact with their clients earlier in the connection/relocation process to develop designs. Authorisation of ASP3's provides a mechanism to monitor and control secure access to our network information. The introduction of authorisation also seeks to improve the quality of design and ultimately reduce design related ANS charges resulting from Ausgrid's responding to poor quality design from inexperienced and sometimes incapable designers in the marketplace</p>
<p>Inspection Services - Service size >100A and mandatory inspections</p>	<p>Inspect private electrical installations has been introduced as an ACS in the FY19/24 regulatory period via the revised service classifications.</p>

SERVICE

DEFINITION

Traffic Control ²	Introduced to close a gap in cost recovery under the FY14/19 ANS structure associated with ad-hoc requests where Ausgrid is required to provide traffic control and is not covered within an existing service being provided
Substation disconnect and reconnect ²	<p>Disconnection and reconnection of a service or consumer cable to a live LV substation by the DNSP where:</p> <ul style="list-style-type: none"> • it has been assessed that there is an unacceptable network safety and/or security risk to an ASP to work within clearance of a live distribution asset • the connection is less than or equal to 100 Amps and is: <ul style="list-style-type: none"> a) used by one customer exclusively; or b) shared by more than one customer but not shared with customers generally (i.e. not part of the distribution network)
Facilitation of activities within clearances of distributor assets ²	<p>Provision of services to facilitate activities within electrical or physical clearances of distributor assets. May include without limitation:</p> <ul style="list-style-type: none"> • Provision of observer during excavation or other works in the vicinity of sub-transmission cable assets as required by Ausgrid Network Standards • Physical support of distributor pole assets during excavation or other works in the vicinity of these assets <p>Excludes the issue of access permits or clearances to work. Where a job is cancelled on the day of the requested service, a 4 hour charge would be applied, based on the R4 Field Worker rate.</p>
Bushfire mitigation works	Specific fee developed to align with the AER's new classification of "rectification works to maintain network safety" in the AER's final F&A paper (p.96).
Neutral integrity testing, de-energisation of wires for safe approach and rectification of network related customer fault.	Specific fees developed to align with the inclusion of these services as standalone activities in the new "network safety services" classification in the AER's final F&A paper (p.95-6).
Rectification of network related customer fault	Specific fees developed to align with the inclusion of these services as standalone activities in the new "network safety services" classification in the AER's final F&A paper (p.95-6).
11kV cable termination at zone substation	Introduced to cover activities associated with the termination of an 11kV cable at an Ausgrid Zone Substation where the cable is fully dedicated to the customer connecting.
Sub-transmission cable termination at zone substation	Introduced to cover activities associated with the termination of a sub-transmission cable at an Ausgrid Zone Substation where the cable is fully dedicated to the customer connecting.

² Inadvertently left out of our schedule of fees in our Initial Proposal

SERVICE

DEFINITION

Complex customer-initiated asset relocation	Introduction of these ANS was influenced by the AER’s Ring-fencing Guidelines and the need provide a mechanism for Ausgrid to undertake certain customer funded works that were deemed to be a risk to network security or safety. This ANS has been enabled as an ACS in the FY19/24 regulatory period via the revised service classifications
Approved materials list application	Specific fees developed to align with the inclusion “provision of materials/equipment” in the “access permits, oversight and facilitation” service group in the AER’s final F&A paper (p.93).
Engineering consultancy	Specific fees developed to align with the inclusion “engineering consulting” in the “design related services” service group in the AER’s final F&A paper (p.92).
Training - 5 to 9 participants Training - 10 to 14 participants Training - 15 or more participants Complex training	Specific fee developed to align with the AER’s new classification of “provision of training to third parties for network related access” in the AER’s final F&A paper (p.97-98).

Appendix B

We have revised and updated mapping of the changes in Ancillary Network Services (excluding metering) from the current 2014-19 regulatory period with the proposed services for 2019-24 regulatory period.

Existing 2014 /19

Services	Type	Units	Price \$ (FY19) ex GST
Administration services relating to work performed by ASPs including processing work			
Underground urban residential subdivision (vacant lots)	Up to 5 lots	Fixed	per service \$399.65
	6 - 10 lots	Fixed	per service \$499.56
	11 - 40 lots	Fixed	per service \$699.39
	Over 40 lots	Fixed	per service \$799.30
Rural overhead subdivisions and rural extensions	Up to 5 poles:	Fixed	per service \$399.65
	6-10 poles:	Fixed	per service \$499.56
	11 or more poles	Fixed	per service \$899.21
Underground commercial and industrial or rural subdivisions	Quoted/Hourly	Per Hour	\$99.91
Commercial and industrial developments	Quoted/Hourly	Per Hour	\$99.91
Asset relocation or street lighting	Quoted/Hourly	Per Hour	\$99.91
Subdivision involving substations (NEW)	Fixed	per service	\$119.89
Additional services required by ASPI/Applicant e.g Guarantee of	Quoted/Hourly	Per Hour	\$99.91
Design related services			
Design information			
Underground urban residential subdivision (vacant lots)	Up to 5 lots	Fixed	per service \$480.64
	6 to 10 lots	Fixed	per service \$640.85
	11 - 40 lots	Fixed	per service \$1,121.49
	Over 40 lots	Fixed	per service \$1,441.91
Rural overhead subdivisions and rural extensions	Quoted/Hourly	Per Hour	\$160.21
Underground commercial and industrial or rural subdivisions	Quoted/Hourly	Per Hour	\$160.21
Commercial and industrial developments	Quoted/Hourly	Per Hour	\$160.21
Asset relocation or street lighting	Quoted/Hourly	Per Hour	\$160.21
	Quoted/Hourly	Per Hour	\$186.72
URD including Kiosk/HVDPT (NEW)	Fixed	per service	\$600.80
Chambers, Multi Kiosk, CBD Chambers (NEW)	Quoted/Hourly	Per Hour	\$160.21
Design certification			
Underground urban residential subdivision (vacant lots)	Up to 5 lots	Fixed	per service \$320.43
	6 to 10 lots	Fixed	per service \$480.64
	11 - 40 lots	Fixed	per service \$801.06
	Over 40 lots	Fixed	per service \$961.28
Rural overhead subdivisions and rural extensions	1 - 5 poles	Fixed	per service \$320.43
	6 - 10 poles	Fixed	per service \$480.64
	11 or more poles	Fixed	per service \$801.06
Underground commercial and industrial or rural subdivisions (vacant lots - no development)	Up to 10 lots	Fixed	per service \$480.64
	11- 40 lots	Fixed	per service \$640.85
	Over 40 lots	Fixed	per service \$961.28
Commercial and industrial developments	Quoted/Hourly	Per Hour	\$186.72
Asset relocation or street lighting	Quoted/Hourly	Per Hour	\$160.21
Kiosk/HVDPT (NEW)	Quoted/Hourly	Per Hour	\$186.72
	Fixed	per service	\$961.28
Chambers, Multi Kiosk, CBD Chambers (NEW)	Quoted/Hourly	Per Hour	\$160.21
Design rechecking			
Underground urban residential subdivision (vacant lots)	Quoted/Hourly	Per Hour	\$160.21
Rural overhead subdivisions and rural extensions	Quoted/Hourly	Per Hour	\$160.21
Underground commercial and industrial or rural subdivisions	Quoted/Hourly	Per Hour	\$160.21
Commercial and industrial developments	Quoted/Hourly	Per Hour	\$186.72
	Quoted/Hourly	Per Hour	\$236.67
Asset relocation or street lighting	Quoted/Hourly	Per Hour	\$186.72
	Quoted/Hourly	Per Hour	\$236.67

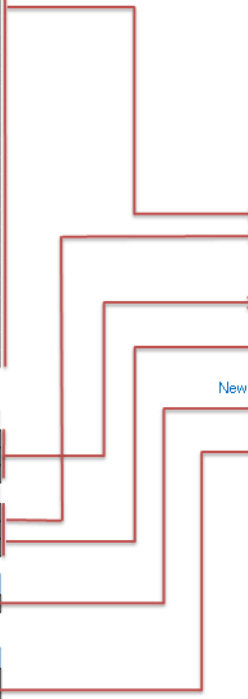
Proposed 2019 /24

Services	Type	Units	Price \$ (FY19) ex GST
Design related services			
Administration of contestable work			
General	Fixed	per service	\$924.43
Additional	Quoted/Hourly	per hour	\$102.26
Pioneer Schemes	Fixed	per service	\$1,263.05
Design information			
Simple	Fixed	per service	\$584.81
Standard / Complex	Quoted/Hourly	per hour	\$191.74
Asset creation	Fixed	per asset number	\$27.61 (base)
			\$10.23 (per asset)
Design certification			
General	Fixed	per service	\$1,854.13
Other	Quoted/Hourly	per hour	\$191.74
			\$210.91

Services	Type	Units	Price \$ (FY19) ex GST	
Preliminary enquiry service				
Preliminary enquiry service	Quoted/Hourly	Per Hour	\$226.68	
Connection offer service (basic or standard)				
Basic 100A Connections NOT requiring a load slip	Fixed	per service	\$8.32	
Basic 100A Connections requiring a load slip or	Fixed	per service	\$211.69	
Standard Off-Site or On-Site Augmentation Work	Fixed	per service	\$211.69	
Standard Offer ASP1 Connections	Fixed	per service	\$270.74	
Standard Embedded Generation >5MVA capacity	Quoted/Hourly	Per Hour	\$236.67	
Planning studies				
Carrying out planning studies and analysis relation to distribution (including sub-transmission and dual-function assets) connection applications	Quoted/Hourly	Per Hour	\$236.67	
Contestable substation commissioning				
Underground urban residential subdivision (vacant lots)	Fixed	per service	\$2,018.50	
Rural overhead subdivisions and rural extensions	Fixed	per service	\$1,189.91	
Underground commercial and industrial or rural subdivisions	Fixed	per service	\$2,684.29	
Commercial and industrial developments	Quoted/Hourly	Per Hour	\$160.21	
Asset relocation or street lighting	Quoted/Hourly	Per Hour	\$160.21	
Complex & Chamber substations (NEW)	Quoted/Hourly	Per Hour	\$160.21	
Access Permits				
Underground urban residential subdivision (vacant lots)	Fixed	per service	\$2,042.31	
Rural overhead subdivisions and rural extensions	Fixed	per service	\$2,042.31	
Underground commercial and industrial or rural subdivisions (vacant lots - no development)	Fixed	per service	\$2,042.31	
Commercial and industrial developments	Fixed	per service	\$2,042.31	
Asset relocation or street lighting	Fixed	per service	\$2,042.31	
Complex & Chamber substations (NEW)	Quoted/Hourly	Per Hour	\$160.21	
Clearance to work				
Clearance to work	Fixed	per service	\$1,041.39	
Access (standby person)				
Access (standby person)	Quoted/Hourly	Per Hour	\$148.53	
Connection / relocation process facilitation				
Connection / relocation process facilitation	Quoted/Hourly	Per Hour	\$226.68	
Customer interface coordination for contestable works				
Customer interface coordination for contestable works	Quoted/Hourly	Per Hour	\$224.18	
Notices of arrangement				
Notices of arrangement	Fixed	per service	\$521.01	
Supply of conveyancing information				
Desk enquiry	Fixed	per service	\$33.25	
Field Visit	Fixed	per service	\$258.40	Discontinued as ANS
Deed of agreement				
Services involved in obtaining deeds of agreement in relation to property rights associated with contestable connection works	Quoted/Hourly	Per Hour	\$236.67	
Connection application related services				
Technical assessment and preliminary enquiry				
Technical assessment - Applications or relocations	Fixed	per service	\$401.89	
Preliminary enquiry	Quoted/Hourly	per hour	\$191.74	
			\$210.91	
Connection offers				
Basic	Fixed	per service	\$17.38	
Standard	Fixed	per service	\$51.13	
Negotiated	Quoted/Hourly	per hour	\$210.91	
Other connection application related services				
Planning studies	Quoted/Hourly	per hour	\$191.74	
			\$210.91	
Site inspection	Fixed	per service	\$471.68	
Technical Support - Permanently Unmetered Supply	Quoted/Hourly	per hour	\$191.74	
Registered participant support	Quoted/Hourly	per hour	\$210.91	
Contestable network commissioning and decommissioning				
Commissioning assets				
Simple	Fixed	per service	\$1,599.46	
Standard	Fixed	per service	\$3,009.65	
Complex	Quoted/Hourly	per hour	\$153.39	
			\$191.74	
			\$147.82	
Decommissioning assets				
Decommissioning assets	Quoted/Hourly	per hour	\$153.39	
			\$147.82	
Access Permit, oversight and miscellaneous services				
Access permits and clearances to work				
Simple permit or clearance to work	Fixed	per service	\$1,227.12	
Complex permit or clearance to work	Quoted/Hourly	per hour	\$153.39	
			\$191.74	
			\$147.82	
Cancellation - Simple	Fixed	per service	\$475.51	
Cancellation - Complex	Fixed	per service	\$1,089.07	
Install / remove overhead network earths	Quoted/Hourly	per hour	\$147.82	
Other access permits and clearances to work				
Access - standby person	Quoted/Hourly	per hour	\$147.82	
Access - confined space entry permit	Quoted/Hourly	per hour	\$153.39	
			\$147.82	
Process and project facilitation	Quoted/Hourly	per hour	\$191.74	
			\$210.91	
Specialist services	Quoted/Hourly	per hour	\$210.91	
Notices of arrangements				
Notice of arrangements	Fixed	per notice	\$437.81	
Notice of arrangements (early)	Quoted/Hourly	per hour	\$102.26	
			\$191.74	
Network related property services				
Property tenure	Quoted/Hourly	per hour + legal costs	\$102.26	
			\$191.74	
			\$210.91	
			+ legal costs	

Services	Type	Units	Price \$ (FY19) ex GST
ASP inspection services			
Inspection of service work by Level 1 ASPs			
Underground urban residential subdivision (vacant lots)	First 10 lots:	A Grade Fixed per lot	\$80.11
		B Grade Fixed per lot	\$192.25
		C Grade Fixed per lot	\$400.54
	Next 40 lots:	A Grade Fixed per lot	\$48.06
		B Grade Fixed per lot	\$112.15
		C Grade Fixed per lot	\$240.32
	Remainder:	A Grade Fixed per lot	\$16.02
		B Grade Fixed per lot	\$64.08
		C Grade Fixed per lot	\$112.15
	Plus flat fee travel time plus 0.5 hr @ R2 travel time		
Rural overhead subdivisions and rural extensions	1-5 poles	A Grade Fixed per pole	\$96.13
		B Grade Fixed per pole	\$192.25
		C Grade Fixed per pole	\$362.47
	6-10 poles	A Grade Fixed per pole	\$80.11
		B Grade Fixed per pole	\$160.21
		C Grade Fixed per pole	\$320.43
	11+ poles	A Grade Fixed per pole	\$64.08
		B Grade Fixed per pole	\$112.15
		C Grade Fixed per pole	\$240.32
	PTs	NA	NA
Plus flat fee travel time plus 0.5 hr @ R2 travel			Fee \$80.11
Underground commercial and industrial or rural subdivisions (vacant lots - no development)	First 10 lots:	A Grade Fixed per lot	\$192.25
		B Grade Fixed per lot	\$400.54
		C Grade Fixed per lot	\$80.11
	Next 40 lots:	A Grade Fixed per lot	\$192.25
		B Grade Fixed per lot	\$400.54
		C Grade Fixed per lot	\$80.11
	Remainder:	A Grade Fixed per lot	\$192.25
		B Grade Fixed per lot	\$400.54
		C Grade Fixed per lot	\$80.11
	Plus flat fee travel time plus 0.5 hr @ R2 travel time		
HV/LV UG Joint, ABS/Enclosed Switch, UGDH (NEW)	Fixed	per service	\$1,281.70
Decommission substation (NEW)	Fixed	per service	\$1,121.49
Substations (Kiosk/PT) or HV Sw cubicle (NEW)	Fixed	per service	\$160.21
Commercial and industrial developments	Quoted/Hourly	Per Hour	\$186.72
	Quoted/Hourly	Per Hour	\$236.67
	Quoted/Hourly	Per Hour	\$160.21
Asset relocation or street lighting	Quoted/Hourly	Per Hour	\$186.72
	Quoted/Hourly	Per Hour	\$236.67
	Quoted/Hourly	Per Hour	\$224.23
Inspection of service work (by Level 2 ASPs)			
All Service connections	A Grade	Fixed per service	\$32.99
Per Notification of Service Work (NOSW)	B Grade	Fixed per service	\$57.02
	C Grade	Fixed per service	\$85.20
Re-inspection of L1 & L2			
L1 - network construction L2 (NOSW)	Quoted/Hourly	Per Hour	\$160.21
	Quoted/Hourly	Per Hour	\$186.72
	Quoted/Hourly	Per Hour	\$236.67
Reinspection of installation work in relation to customer assets			
Installation (CoCEW)	Quoted/Hourly	Per Hour	\$160.21
Investigate, review & implementation of remedial actions associated with ASP's connection works			
Investigate, review & implementation of remedial actions associated with ASP's connection works	Quoted/Hourly	Per Hour	\$236.67

Services	Type	Units	Price \$ (FY19) ex GST
Inspection services - Private electrical installations and accredited service providers			
Inspection of level 1 ASP works			
Network Construction - Level 1 ASP works	Quoted/Hourly	per hour	\$153.39
Re-inspection - Level 1 ASP works	Quoted/Hourly	per hour	\$153.39
Inspection of level 2 ASP works (NOSW)			
A Grade	Fixed	per NOSW	\$31.70
B Grade	Fixed	per NOSW	\$56.24
C Grade	Fixed	per NOSW	\$178.96
Re-inspection - ASP Level 2 Works	Quoted/Hourly	per hour of inspection	\$170.77
Inspection of electrical contractor works			
Service size >100A and mandatory inspections	Quoted/Hourly	per CCEW	\$170.77
Re-inspection of electrical contractor works	Quoted/Hourly	per hour of inspection	\$170.77
Other			
Investigate, review & implementation of remedial actions associated with ASP's connection works	Quoted/Hourly	per hour	\$210.91



Services	Type	Units	Price \$ (FY19) ex GST
Authorisation of ASPs			
Level 1 ASP	Fixed	per service	\$607.05
Level 2 ASP	Fixed	per service	\$420.34

Rectification works			
a. Rectification of illegal Connections	Quoted/Hourly	Per Hour	\$841.15
b. Provision of service crew/additional crew	Quoted/Hourly	Per Hour	\$297.06
c. Fitting of Tiger tails	Quoted/Hourly	Per Hour	\$148.53
d. High load escorts	Quoted/Hourly	Per Hour	\$151.45

Services to supply and connect temporary supply to one or more customers			
Install & remove HV LL Links	Fixed	per service	\$5,788.75
Break & remake HV bonds	Fixed	per service	\$2,891.99
Break & remake LV bonds	Fixed	per service	\$2,087.72
Connect & disconnect MG to DH mains	Fixed	per service	\$2,897.43
Connect & disconnect MG to LV board in Kiosk	Fixed	per service	\$2,266.91

Services	Type	Units	Price \$ (FY19) ex GST
Authorisation of ASPs			
Level 1 ASP			
Initial Authorisation or additional Authorisation Session	Fixed	per service	\$230.09
Authorisation renewal or Additional company to existing authorisation	Fixed	per service	\$511.3
Company Authorisation - Initial	Fixed	per service	\$578.41
Company Re-authorisation (Annual Fee)	Fixed	per service	\$105.46
Level 2 ASP			
Initial Authorisation	Fixed	per service	\$409.04
Re-authorisation (Annual Fee)	Fixed	per service	\$332.35
Additional authorisation	Fixed	per service	\$102.26
Level 3 ASP			
Authorisation/Re-authorisation (Biennial Fee)	Fixed	per service	\$76.70
Network safety services and security			
Rectification works			
Rectification of illegal connections	Quoted/Hourly	per hour	\$135.87
Provision of service crew/additional crew	Quoted/Hourly	per hour	\$147.82
Fitting of tiger tails	Quoted/Hourly	per hour	\$147.82 + tarapoli hire
High load escorts	Quoted/Hourly	per hour	\$147.82
Temporary power	Quoted/Hourly	per hour	\$147.82
Bushfire mitigation works	Quoted/Hourly	per hour	\$147.82
Neutral integrity testing	Quoted/Hourly	per hour	\$147.82
De-energisation of wires for safe approach	Quoted/Hourly	per hour	\$147.82
Rectification of network related customer fault	Quoted/Hourly	per hour	\$147.82
Cable termination and relocation			
11kV cable termination at zone substation	Quoted/Hourly	per hour	\$147.82
Subtransmission cable termination at zone substation	Quoted/Hourly	per hour	\$147.82 \$153.39 \$210.91
Complex customer initiated asset relocation	Quoted/Hourly	per hour	\$147.82 \$153.39 \$210.91
Traffic Control			
Traffic Control	Quoted/Hourly	per hour + contracted services	\$147.82
Consultancy and review services			
Engineering consultancy	Quoted/Hourly	per hour	\$255.54
Approved materials list application	Quoted/Hourly	per hour	\$210.91 or \$255.54
Training			
Training - 5 to 9 participants	Fixed	per service	\$153.39
Training - 10 to 14 participants	Fixed	per service	\$89.48
Training - 15 or more participants	Fixed	per service	\$53.69
Complex training	Quoted/Hourly	per hour	\$295.27

Appendix C

We have made minor definitional changes to some connection related ANS. Text marked in red was in the Initial Proposal and has been replaced by text in blue for this Revised Proposal.

Service Group - Design Related Services Administration of contestable works

Work of an administration nature by Ausgrid relating to work performed by Level 1 and Level 3 ASPs, including processing work

General

This is common for all ~~model standing offer~~ projects where connection is covered by a Standard Connection Offer. This may include without limitation:

- Correspondence not associated with other services;
- Internal communication at various milestones of a project;
- Liaising with internal and external stakeholders;
- Document management (receiving or issuing and processing project related documentation including design drawings, general correspondence);
- Fee and financial management of project;
- Updating asset management and IT systems;
- Ausgrid Compliance project administration;
- Project close out.

Excludes

- Work of an administrative nature described in other services including design information, design certification, Notice of Arrangement, or Authorisation of ASPs.
- Administration associated with asset relocation projects or connections covered by a Negotiated Connection Offer ~~not recovered by a model standing offer~~.

Other ~~Additional~~

The ~~additional~~ administration associated with projects that may include without limitation:

- Customer initiated requested, not already conducted in (Administration General Standard);
- Administration associated with asset relocation projects or connections covered by a Negotiated Connection Offer ~~projects not covered by a model standing offer~~.

Design information (Simple, Standard or Complex)

The project design category is confirmed after technical assessment of the connection application and defined in the Design Information General Terms and Conditions available on the Ausgrid website. Ausgrid provides necessary technical information to enable an Ausgrid Authorised ASP3 to prepare a design ~~drawing package~~ and submit it for certification.

Design Certification

Ausgrid ~~is required to certify~~ certifies the design to ensure it will not compromise the safety or operation of Ausgrid's distribution network and to confirm integration with business systems. It is the ASP3's responsibility to ensure the design is fit for the intended purpose, suitable for the applicants needs and ~~or~~ is suitable for the site conditions.

The 'general' category covers changes to the distribution network that are of small and predictable nature. For example, minor pole relocation, Low Voltage extension, Direct Distributors, Low Voltage augmentation and minor Street Lighting projects.

'Other' is a category that facilitates all other forms of distribution network changes, additions and asset relocations.

All design submissions are required to be of a quality that is certifiable.

NOTE: Additional design certification fees will apply when Ausgrid is required to recheck a design that is not certifiable within the fixed or quoted hours for certification or to re-certify a design. This may include without limitation:

- The certification period on an existing design lapses;
- Amendments to a previously certified design are received or are required.

Technical Assessment - Applications or relocations

The initial technical ([engineering](#)) assessment of an application to determine the need for network augmentation and ~~the~~ provision of a written response (Basic Connection Offer or an advice that augmentation works are required).

NOTE: There will be no additional charge for issuing a Basic Connection Offer where a technical assessment charge has been applied.

Site inspection

Site inspection in order to determine the nature of a connection service sought by the connection applicant and for ongoing co-ordination of large projects. This includes site inspections requested by Connection Applicants, their representative or Accredited Service Provider where not already included in another service. [A site inspection, if required, may also be initiated by Ausgrid.](#)

Access Permits and Clearance to Work Permits

The provision of an access permit or clearance to work by Ausgrid to a person authorised (or observed) by Ausgrid to work on or near Ausgrid's network. This service fee includes high and low voltage access and may include without limitation:

- Researching and documenting the request for access including a site visit as required;
- Switching of the network to provide access and restore the network upon completion including travel costs;
- Identification of any customers who will be interrupted;
- Notification or "carding" of customers who may be affected by an interruption to supply on the network (where not provided by an ASP);
- Low voltage switching and paralleling of substations that permits high voltage work without disrupting supply to other customers;
- High voltage cable identification, cut and provision of phasing;
- [Providing network access to ASPs for live low voltage work.](#)

Excludes

Provision of mobile generators and live line work to maintain supply.

- Installation or removal of access permit earths where the work is being undertaken by an ASP
- These are additional services that may be necessary and are covered by other listed services

Permit examples:-

Simple

- Access to HV (11kV) or LV that requires switching only i.e. no paralleling of substations or cable identification / cutting or overhead access permit earths
- Isolation of direct distributor supplies
- Provision of a clearance to work permit on the LV network

A simple permit or clearance to work is limited to where there are 10 or less customers to be affected by a supply interruption.

Complex

- Access to the network involving HV and / or LV switching that may involve paralleling of substations, cable identification / cutting or interruptions to customers
- Switching of overhead and / or underground networks involving multiple switching points and activities such as paralleling of substations, cable identification / cutting or interruptions to customers
- Switching of the sub-transmission network

Metering Site alteration

[Site alteration, updating and maintaining national metering identifier \(NMI\) and associated data in market systems](#)

NMI extinction

[NMI extinction, processing a request by the customer or their agent for permanent disconnection and the extinction of a NMI in market systems](#)

Traffic Control

Provision of traffic control services by Ausgrid where required in association with the provision of various Ausgrid services if not provided by the service requestor (e.g. as part of their worksite). Instances may include, but are not limited to:-

- Provision of access permits (network switching) or confined space permits and associated tasks
- Network asset commissioning / decommissioning and associated tasks
- As required in the course of providing other requested services e.g. preparation of design information or the undertaking of site inspections.

Substation connect and reconnect

Disconnection and reconnection of a service or consumer cable to a live LV substation by the DNSP where:

- it has been assessed that there is an unacceptable network safety and/or security risk to an ASP to work within clearance of a live distribution asset
- the connection is less than or equal to 100 Amps and is:
 - a) used by one customer exclusively; or
 - b) shared by more than one customer but not shared with customers generally (i.e. not part of the distribution network)

Facilitation of activities within clearances of distributor assets

Provision of services to facilitate activities within electrical or physical clearances of distributor assets. May include without limitation:

- Provision of observer during excavation or other works in the vicinity of sub-transmission cable assets as required by Ausgrid Network Standards
- Physical support of distributor pole assets during excavation or other works in the vicinity of these assets

Excludes the issue of access permits or clearances to work. Where a job is cancelled on the day of the requested service, a 4 hour charge would be applied, based on the R4 : Field Worker rate.

Fitting or Removal of Tiger Tails

Installation or removal of temporary covering (known as 'torapoli pipes' or 'tiger tails') on overhead mains and service lines. Note: **In addition to the ANS rate the customer** price will also include a rental charge for the use of equipment temporarily installed. NB This service description does not include the installation of temporary covers by certain ASPs in association with their contestable work, in accordance with their Service Provider Authorisation, which is contestable work.

Inspection of level 2 ASP works (NOSW)

The inspection by Ausgrid, in accordance with the NSW Accreditation of Service Providers Scheme, of work undertaken by an ASP level 2 for the purpose of checking compliance and maintaining an acceptable standard of work. Audit inspections are undertaken as outlined in Ausgrid inspection policies.

The minimum number of inspections required corresponds to the grade of the ASP as shown:

A grade - 1 inspection per 25 jobs

B grade - 1 inspection per 5 jobs

C grade - Each job to be inspected

Inspections are undertaken by Ausgrid during normal business hours. Inspections can be undertaken outside of these times where fully funded by the requester.

Re-inspection of ASP Level 2 works will be undertaken by Ausgrid for reasons where on a prior inspection the work was found to be non-compliant. The service is applied when the inspector identifies non-compliant work and issues a defect notice. Where more than one dwelling is found to be defective within a multi-unit complex the service should be applied to each of the individual units.

Inspection of electrical contractor works

The inspection by Ausgrid of private electrical wiring work performed by electrical contractors on customers assets to check for compliance with the requirements of Australian Standard AS3000, associated standards and the NSW Service and Installation Rules.

Where the connecting service size is greater than 100A per phase or where the installation type is deemed to require a mandatory inspection, Ausgrid will inspect each job. Installations that require mandatory inspection include, but are not limited to:-

- Hazardous locations
- Consumer mains and main switchboard works
- High voltage installations
- Solar installations >30kW
- Unmetered supplies ~~and submains~~

Other installation types will be inspected in accordance with Ausgrid inspection policies.

[Inspections are undertaken by Ausgrid during normal business hours. Inspections can be undertaken outside of these times where fully funded by the requester.](#)

Re-inspection of electrical contractor works will be undertaken by Ausgrid for reasons where on a prior inspection the work was found to be non-compliant. The service is applied when the inspector identifies non-compliant work and issues a defect notice. Where more than one dwelling is found to be defective within a multi-unit complex the service should be applied to each of the individual units.

Investigate and review ASP connection works

The investigation, review and implementation of remedial actions associated with contestable connection works or other works covered by the ASP Scheme Rules, leading to corrective and/or disciplinary action against an ASP because of unsafe practices, substandard workmanship, failure to provide accurate and timely information or any other breach of authorisation.

Authorisation of ASPs

Level 1 ASP	Authorisation/Re-authorisation (Annual Fee)	Fixed
	Initial Authorisation or additional Authorisation Session	Fixed
	Recording of an additional company to existing authorisation	Fixed
	Authorisation renewal or Additional company to existing authorisation	Fixed
	Upgrade to include additional class	Fixed
Level 2 ASP	Company Authorisation - Initial	Fixed
	Company Re-authorisation (Annual Fee)	Fixed
	Initial Authorisation	Fixed
	Re-authorisation (Annual Fee)	Fixed
	Additional authorisation	Fixed
	Level 3 ASP	Authorisation/Re-authorisation (Biennial Fee)

The annual authorisation by Ausgrid of ASP companies, individual employees or sub -contractors of an ASP required to carry out contestable works or other works covered by the ASP Scheme Rules within Ausgrid's network area. This may include work on or near Ausgrid's distribution and/or sub-transmission system, or the preparation and submission of contestable designs for certification.

The fees may include without limitation:

- Induction in the unique aspects of the network;
- Verification that the applicant has undertaken the necessary training required for Authorisation;
- Verification that the company has maintained the necessary requirements for Authorisation;
- Conducting authorisation sessions and in-field safety audits;
- Issuing authorisation cards; or
- Administration support directly related to Authorisation.