

# Service classification proposal

Regulatory proposal 2021–2026

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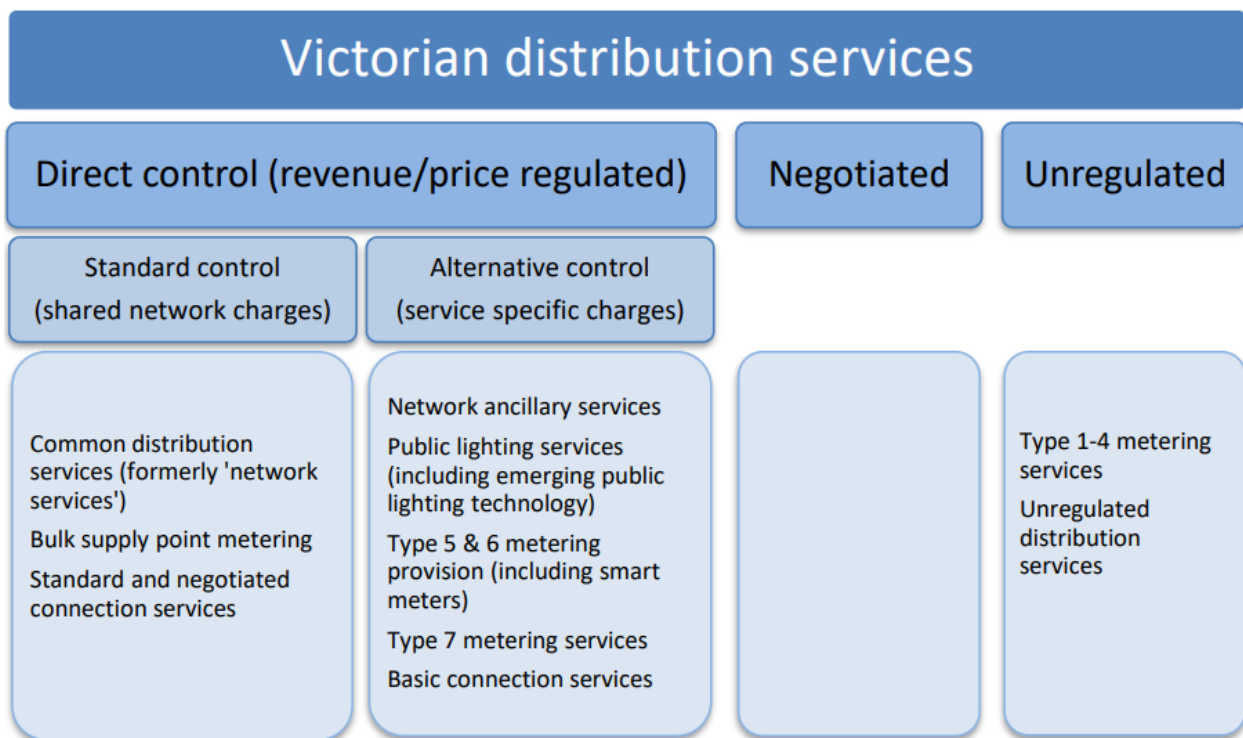
# 1 Classification of distribution services

We propose to adopt the distribution service classification in line with the Australian Energy Regulator's (AER) framework and approach (F&A) paper for the 2021–2026 regulatory period.<sup>1</sup> Namely, we propose to group distribution services provided as:

- common distribution services (formerly 'network services')
- connection services
- metering services
- network ancillary services
- public lighting services
- unregulated distribution services.

The figure below, taken from the AER's F&A paper, summarises our approach and demonstrates our approach aligns with the AER's proposed classification.

Figure 1 AER proposed approach to classification of Victorian distribution services



Source: AER, Final framework and approach AusNet Services, CitiPower, Jemena, Powercor and United Energy, Regulatory control period commencing 1 January 2021 January 2019

In the following sections we expand on standard control and alternative control service classifications.

<sup>1</sup> AER, Final framework and approach AusNet Services, CitiPower, Jemena, Powercor and United Energy, Regulatory control period commencing 1 January 2021 January 2019

# 2 Standard control service classification

We propose to classify services as standard control in line with the AER's F&A paper for the 2021–2026 regulatory period. Please see table 1 for the detailed summary of the services classified as standard control.

**Table 1** Services classified as standard control during the 2021–2026 regulatory period as per the AER's F&A paper

Service group	Description	Classification
Common distribution service	<p>The suite of activities that includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>the planning, design, repair, maintenance, construction, and operation of the distribution network<sup>2</sup></li> <li>works to fix damage to the network (including recoverable works caused by a customer or third party)<sup>3</sup></li> <li>support for another network during an emergency event</li> <li>procurement and provision of network demand management activities for distribution or system reliability, efficiency or security purposes</li> <li>activities related to 'shared asset facilitation' of distributor assets</li> <li>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</li> <li>establishment and maintenance of National Metering Identifiers (NMIs) in market and/or network billing systems, and other market and regulatory obligations</li> <li>ongoing inspection of private electrical networks (not part of the shared network) required under legislation for safety reasons</li> <li>supply abolishment of basic connection</li> <li>customer safety information, e.g. 'dial before you dig' services</li> <li>bulk supply point metering - activities relating to monitoring the flow of electricity through the distribution network</li> <li>third party initiated network asset relocations/re-arrangements under Essential Services Commission of Victoria Guideline 14</li> <li>transmission network support</li> </ul>	Standard control
Standard connection service	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
Negotiated connection service	<p>Connection service (other than a basic connection service) for which a DNSP provides a connection offer for a negotiated connection contract</p> <p>This includes connections under Chapter 5 of the NER</p>	Standard control

Source: CitiPower

<sup>2</sup> This includes the recovery of the cost of a 'wasted truck' that was classified as an alternative control service during the 2016–2020 regulatory period. There are times when in response to a reported power outage or a power quality issue we will visit the site based on a concern that there may be a network issue, only to find on arrival that the issue is on the customer side of the connection point. In this case, the AER considers in its framework and approach paper that the distributor should recover the cost of this truck visit through distribution use of system charges. This is because the wasted truck visit occurred as part of the distributor performing the common distribution service (i.e. maintaining the safety and reliability of the shared networks). As such, we propose to recover the cost of the wasted truck visit through standard control services, which is a change from the 2016–2020 regulatory period.

<sup>3</sup> This includes 'emergency recoverable works' that were classified as unregulated during the 2016–2020 regulatory period.

# 3 Alternative control service classification

We propose to classify services as alternative control in line with the AER's F&A paper for the 2021–2026 regulatory period. Please see table 2 for the detailed summary of the services classified as alternative control.

Table 2 Services classified as alternative control during the 2021–2026 regulatory period as per AER's F&A paper

Services	Description	Classification
Metering services	<p>Type 5 and 6 (including smart metering) services where the distributor remains responsible including:</p> <ul style="list-style-type: none"> <li>recovery of the cost of type 5 and 6 metering equipment including communications network (including meters with internally integrated load control devices)</li> <li>testing, inspecting, investigating, maintaining or altering existing type 5 or 6 metering installations or instrument transformers</li> <li>quarterly or other regular reading of a metering installation</li> <li>metering data services that involve the collection, processing, storage and delivery of metering data, the provision of metering data from the previous two years, remote or self-reading at difficult to access sites, and the management of relevant NMI Standing Data in accordance with the National Electricity Rules (the Rules)</li> </ul> <p>Auxiliary metering services (type 5 to 7 including smart metering) where the distributor remains responsible including (but not limited to):</p> <ul style="list-style-type: none"> <li>test, inspect and investigate, or alter an existing type 5 or 6 metering installation</li> <li>testing and maintenance of instrument transformers for type 5 and 6 metering purposes</li> <li>re-seal a type 5 or 6 meter due to customer or third party action (e.g. by having electrical work done on site)</li> <li>change distributor load control relay channel</li> <li>remote de-energisation and re-energisation</li> <li>remote meter configuration</li> <li>field based special meter read</li> <li>office based special meter read</li> <li>replace meter panel or change to a group meter panel</li> <li>high profile antenna installation</li> <li>metering exit services</li> </ul> <p>Type 7 metering services including processing and delivery of calculated metering data for unmetered loads, and the population and maintenance of load tables, inventory tables and on/off tables</p>	Alternative control

Services	Description	Classification
Connection services	<p>Basic connection services related to a connection between a distribution system and a retail customer’s premises (excluding a non-registered embedded generator’s premises) in the following circumstances:</p> <ul style="list-style-type: none"> <li>• either the retail customer is typical of a significant class of retail customers who have sought, or are likely to seek, the service; or the retail customer is, or proposes to become, a micro embedded generator</li> <li>• the provision of the service involves minimal or no augmentation of the distribution network</li> <li>• a model standing offer has been approved by the AER for providing that service as a basic connection service</li> </ul> <p>Ancillary connections services including (but not limited to):</p> <ul style="list-style-type: none"> <li>• field based de-energisation and re-energisation</li> <li>• non basic supply abolishment or reposition non-basic connection</li> <li>• temporary connections (e.g. for builder's supply, fetes etc.)</li> <li>• overhead service line replacement – customer requests the existing overhead service to be replaced (e.g. because of a point of attachment relocation)</li> <li>• protection and power quality assessment</li> <li>• supply enhancement (e.g. upgrade from single phase to three phase)</li> <li>• customer requested change requiring primary and secondary plant studies for safe operation of the network (e.g. change protection settings)</li> <li>• upgrade from overhead to underground service</li> <li>• rectification of illegal connections or damage to overhead or underground service cables</li> <li>• power factor correction</li> <li>• assessing connection applications or a request to undertake relocation of network assets as contestable works and preparing offers</li> <li>• processing preliminary enquiries requiring site specific or written responses</li> <li>• undertaking planning studies and associated technical analysis (e.g. power quality investigations) to determine suitable/feasible connection options for further consideration by applicants</li> <li>• liaising with groups representing multiple connecting parties (e.g. community group upgrades)</li> <li>• site inspection in order to determine the nature of the connection service sought by the connection applicant and ongoing co-ordination for large projects</li> <li>• registered participant support services associated with connection arrangements and agreements made under Chapter 5 of the Rules</li> </ul> <p>Enhanced connection services that are:</p> <ul style="list-style-type: none"> <li>• provided with higher quality of reliability standards, or lower quality of reliability standards (where permissible) than required by the Rules or any other applicable regulatory instruments. This includes reserve feeder installation and maintenance</li> <li>• in excess of levels of service or plant ratings required to be provided by the distributor</li> </ul>	Alternative control

Services	Description	Classification
Network ancillary services	<p>Customer and third party initiated services related to common distribution services including (but not limited to):</p> <ul style="list-style-type: none"> <li>• access permits, oversight and facilitation</li> <li>• high load escorts—surveying and lifting overhead lines</li> <li>• sale of approved materials or equipment</li> <li>• notices of arrangement and completion notices</li> <li>• network related property services</li> <li>• rearrangement of network assets</li> <li>• network safety services, including no-go zone safety-related services</li> <li>• planned Interruption—customer requested amendment</li> <li>• customer requested supply outage</li> <li>• inspection and auditing services</li> <li>• provision of training to third parties for network related access</li> <li>• authorisation and approval of third party service providers design, work and materials, and processing specification and design enquiry</li> <li>• security lights/watchman lights</li> <li>• customer requested provision of electricity network data</li> <li>• third party funded network alterations or other improvements</li> <li>• customer initiated network asset relocations/re-arrangements</li> <li>• alterations to the shared distribution network assets</li> <li>• community network upgrades</li> </ul>	Alternative control
Public lighting	<p>Provision of public lighting services:</p> <ul style="list-style-type: none"> <li>• operation, maintenance, repair and replacement public lighting assets</li> <li>• alteration and relocation of public lighting assets</li> <li>• provision of new public lighting</li> </ul>	Alternative control

Source: CitiPower

### 3.1 Our proposed alternative control services charges

Metering services revenue (other than ancillary metering services) is recovered through the metering services charge, while public lighting revenue for the operation, maintenance, repair and replacement (OMR) services is recovered through an OMR charge per light type.

Our proposed fee-based and quoted charges for the remaining alternative control services do not include a charge for all services as classified in table 3—for example we are not proposing a charge of remote re-energisation and de-energisation of sites or for type 7 metering services while we continue to offer those services. Rather, our charges are developed in accordance with expected costs over the 2021–2026 regulatory period while providing simplicity for our customers and third parties.

Table 3 summarises our proposed fee-based and quoted charges, description of services for which the charges apply and how those services align with the service groups within the alternative control service classification as per the AER's F&A paper.

**Table 3 Proposed fee-based and quoted charges for 2021–2026 regulatory period for services as per the AER's F&A paper**

<b>Our proposed charge</b>	<b>Service description</b>	<b>Service group as per AER's F&amp;A paper</b>
<b>Fee-based charge</b>		
Basic connections (BH/AH)	Basic connection	Connection services
Meter/NMI/site investigation	Meter/NMI/site investigation	Metering ancillary services and connection services
Remote meter re-configuration	Remote meter re-configuration	Metering ancillary services
Field-based special read	Field-based special read	Metering ancillary services
Meter testing	Meter testing	Metering ancillary services
Manual re-energisation	Manual re-energisation	Metering ancillary services
Manual de-energisation	Manual de-energisation	Metering ancillary services
Isolation of supply or reconnection, excluding HV (single) (BH/AH)	Includes: <ul style="list-style-type: none"> <li>isolation of supply (e.g. to allow customer and/or contractor to perform maintenance on the customer's assets, work close to or for safe approach)</li> <li>reconnection of supply after the isolation, excluding high-voltage (HV) assets</li> <li>disconnection at the point of supply (i.e. pole or pit)</li> <li>service line isolations in association with No Go Zone applications</li> </ul>	Connection services Network ancillary services
Isolation of supply and reconnection after isolation, excluding HV (same day) (BH)	Both an isolation of supply and a reconnection of the same point of supply on the same day during business hours, excluding HV assets	Connection services
Standard alteration, 30-60 minutes (BH/AH)	Including but not limited to the following services: <ul style="list-style-type: none"> <li>install or remove controlled load</li> <li>move meter to new position</li> <li>relocate point of attachment or service</li> <li>replace meter panel</li> <li>re-route mains to new pit</li> <li>upgrade maximum demand or change supply capacity control</li> <li>replacing fascia board</li> </ul>	Metering ancillary services Connection services Network ancillary services
Complex alteration, > 60 minutes (BH/AH)	Including but not limited to the following services: <ul style="list-style-type: none"> <li>change overhead to underground</li> <li>change to group metering panel</li> <li>upgrade phase</li> <li>multiple services during the same site visit, for example a customer requests a metering panel replacement and moving a meter to a new position</li> </ul>	Metering ancillary services Connection services Network ancillary services



Our proposed charge	Service description	Service group as per AER's F&A paper
Failed field visit (unable to perform customer requested task) (BH/AH)	This charge applies when any of the above mentioned fixed-fee service are requested by the customer or a third party but the field crew cannot perform the task once arriving at the site due to customer fault. For example, the site is locked with a non-industry lock preventing access for our crews	Metering ancillary services Connection services Network ancillary services
<b>Quoted charges</b>		
Complex supply abolishment	This charge applies when a customer requests permanent removal of our supply assets on a complex site. For example, when supply is directly from a substation, when the abolishment requires a design to be completed safely, or when the supply is more than 100 amps.	Connections services
Rearrangement of network assets at customer request, excluding public lighting assets	This charge applies when a customer requests work for which the prime purpose is to satisfy a customer requirement other than new or increased supply, other than where Guideline 14 applies. For example, a customer requests a removal or relocation of service to allow work on private installation.	Network ancillary services
Audit design and construction	Authorisation and approval of third party service providers design, work and materials, and processing specification and design enquiry	Network ancillary services
Specification and design enquiry	<p>This charge applies when design or network planning is required to fairly assess the costs so that an offer can be issued to a customer. Examples include:</p> <ul style="list-style-type: none"> <li>• the route of the network extension required to reach the customer's property</li> <li>• the location of other utility assets</li> <li>• environmental considerations including tree clearing</li> <li>• obtaining necessary permits from State and Local Government bodies</li> <li>• assessment of design and network planning options</li> <li>• specialist services (which may involve design related activities and oversight/inspection works) where the design or construction in is non-standard, technically complex or environmentally sensitive and any enquiries related to distributor assets.</li> </ul>	Connections services Network ancillary services
Elective undergrounding	This charge applies when a customer could receive an overhead service but requests an underground service, other than where Guideline 14 applies. For example, a customer requests an underground service where we would consider it safe and prudent to install an overhead service.	Connections services

Our proposed charge	Service description	Service group as per AER's F&A paper
High load escorts—surveying and lifting overhead lines	This charge applies when a third party requires safe clearance of overhead lines to allow high load vehicles to pass along roads. This includes surveying and lifting of overhead lines.	Network ancillary services
High profile antenna installation	This charge applies when customers request to install a high profile antenna to an existing smart meter.	Metering ancillary services
No-go zone safety-related services	This charge applies when a customer or third party requests services related to ensuring safety of no-go zone around our assets, including a supply isolation, covering assets with tiger tails and aerial markers, and other related works. For example, a customer/third party is conducting building works at a site near our assets where visual markers (tiger tails) are required for safety.	Network ancillary services
Reserve feeder maintenance	Reserve feeder maintenance	Connections services
Alteration and relocation of public lighting assets	This charge applies when a customer or a third party requests alteration, rearrangement or relocation of public lighting assets.	Public lighting services
New public lighting services including greenfield sites and new light types	This charge applies when a customer or a third party request an installation of new public lighting assets, including new light types and emerging light technologies.	Public lighting services
Access to network data	This charge applies when a customer or a third party requests electricity network data, including aggregates smart meter data, outside of legislative obligations. For example, a third party requests large quantities of aggregated data outside of our standard practices of legislative obligations.	Network ancillary services
Complex isolations and alterations, including HV	This charge applies when a customer requests an isolation of supply (e.g. to allow customer and/or contractor to perform maintenance on the customer’s assets, work close to or for safe approach) of HV assets or where there are more complex/larger scale works isolation or alternations. This also includes where works are requested to be performed after hours for multi-occupancy or complex sites. For example, after-hours isolation for customer side works at a large multi-occupancy site, such as a caravan park.	Connections services
Alterations to the shared distribution network assets	This charge applies when a customer or third party initiates alterations or other improvements to the shared distribution network to enable the third party infrastructure (e.g. NBN Co telecommunications assets) to be installed/altered on the shared distribution network.	Network ancillary services

Source: CitiPower