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Mr Chris Pattas
General Manager, Networks
Australian Energy Regulator
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Dear Mr Pattas

Essential Energy submission on the Australian Energy Regulator's Preliminary framework and approach for Ausgrid, Endeavour Energy and Essential Energy for the regulatory control period commencing 1 July 2019

Essential Energy welcomes the opportunity to provide feedback on the preliminary framework and approach for the regulatory control period commencing 1 July 2019 ('the preliminary F&A'). The preliminary F&A is largely consistent with the current framework and approach paper that applies to Essential Energy for the 2015-19 regulatory control period. In the main, Essential Energy supports the preliminary F&A, with some minor suggestions and clarifications set out in the sections below.

Classification of Distribution Services

Essential Energy generally agrees with the service classifications proposed by the AER. Attachment 1 sets out our proposed list of service classifications in a marked-up table. While we have maintained many of the existing service classifications consistent with the AER's preliminary F&A, we have made some minor changes and added additional services to avoid any ambiguity going forward. There are also some services where Essential Energy believes the AER could make some clarifications including:

- The use of unclassified services and unregulated services is interchanged in some parts of the preliminary F&A. In keeping with the subject matter of the preliminary F&A, Essential Energy suggests that services that are not direct control or negotiated be referred to as unclassified services to avoid any confusion;
- In relation to emergency recoverable works, the AER describes netting off costs recovered from a third party against the RAB. However, Essential Energy understands after discussions with the AER that this will be amended to refer to netting off these payments from third parties against the operating expenditure incurred in completing the recoverable works;
- Confirming that legacy Type 5 and 6 meters, including their residual value, will remain as an alternative control service even after new arrangements for metering competition have commenced on 1 December 2017; and
- Amending connection services description consistent with our suggestions in Attachment 1, to make it clear that work undertaken by Essential Energy on behalf of a customer is treated the same as work completed by an Accredited Service Provider (ASP) on behalf of a customer.

Control mechanisms

Essential Energy acknowledges the AER's proposed control mechanisms set out in the preliminary F&A.

Incentive schemes

Efficiency Benefit Sharing Scheme

The preliminary F&A states that the efficiency benefit sharing scheme (EBSS) will be applied to Essential Energy for the 2019-24 regulatory control period. The EBSS was not applied to Essential Energy in the current regulatory control period due to the AER's move away from revealed costs to an economic benchmarking approach to setting forecast operating expenditure. Essential Energy appealed the AER's benchmarking approach and this remains subject to an appeals process of which the outcomes are unknown.

Due to the considerable uncertainty around the outcomes of the appeals process and the AER's stated intention in the preliminary F&A to apply its expenditure forecast assessment guideline in a similar manner to the 2015-19 regulatory control period, Essential Energy has reservations in supporting the application of the EBSS at this point in time.

Essential Energy believes there needs to be greater clarity on the likely starting point and the legally appropriate method for setting forecast operating expenditure for the 2019-24 regulatory control period (noting the appeals process is likely to be an important component in this clarification in coming months), before a final decision can be made on applying the EBSS.

Capital Expenditure Sharing Scheme

Essential Energy agrees with the application of the capital expenditure sharing scheme (CESS) dated November 2013 for the 2019-24 regulatory control period.

Service Target Performance Incentive Scheme and Demand Management Incentive Scheme

Essential Energy agrees in principle with the application of both the service target performance incentive scheme (STPIS) and the demand management incentive scheme (DMIS), subject to the detail and timing of the final STPIS and DMIS guidelines which are currently being reviewed through a public consultation process.

Essential Energy notes the AER's intent to apply AEMO's 2014 methodology and value of customer reliability (VCR), however we believe more work needs to be undertaken around the development of the VCR. The sample size and scope used to develop AEMO's NSW VCR is not representative of the reliability preferences of a significant portion of Essential Energy's customer base. A specific example of this is the lack of representation of agricultural customers within the survey data.

It has been recommended that the AER maintain a national VCR going forward and Essential Energy believes the AER is well placed to manage this piece of work. As such, we recommend that the AER discuss future improvements to the current AEMO VCR with IPART in NSW. A specific outcome of IPART's recent review of Transmission Reliability was *"further work should be done on the value customers place on reliability (VCR) and that work should be done in time to inform the next review of reliability standards. We consider that IPART is well placed to do this work for NSW, if no national study has been completed in time to be used as an input to the next review."*¹

¹ Independent Pricing and Regulatory Tribunal NSW, *Electricity transmission reliability standards – an economic assessment*, August 2016, p3

Application of the AER's Expenditure Forecast Assessment Guideline

The AER intends to apply all the assessment tools set out in the Guideline for the 2019-24 regulatory control period. At the time of developing the framework and approach paper for the current regulatory control period, Essential Energy took comfort from indications in meetings with the AER and its engineering consultants regarding the AER's intended approach in using these assessment tools. We were encouraged by the AER's acknowledgement that high level tools would never fully address the circumstances of an individual business and therefore can only ever be used as an informative tool – not as a basis for substitution of well-constructed forecasts. The assessment tools were explained as being a flag for further detailed review of outlying expenditure areas.

The AER and its economic benchmarking consultants changed their views during the 2015-19 determination process and subsequently used benchmarking assessment tools as the sole determinant of forecast operating expenditure. As detailed in our revised regulatory proposal and subsequent Merits Review of the 2015-19 determination, Essential Energy maintains its concerns with the benchmarking methodology and approach used by the AER for forecasting operating expenditure.

Essential Energy would welcome any opportunity to engage with the AER to refine and improve the AER's benchmarking methodology and its application. Essential believes this engagement should focus on the principles relating to the use of high level assessment tools including:

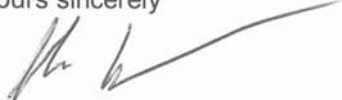
- the inherent limitations of using high level tools;
- the best way to use high level tools to inform regulatory decisions; and
- suggested criteria to explain the effectiveness of a high level tool.

Depreciation

The AER intends to apply forecast depreciation to establish the RAB at the commencement of the 2024-29 regulatory control period. Essential Energy supports this application and in conjunction with the CESS, it will maintain an incentive to seek capital expenditure efficiencies.

If you would like to discuss any matters raised in this submission, please do not hesitate to contact Natalie Lindsay, Manager Network Regulation, on (02) 6589 8419.

Yours sincerely



Luke Jenner
Acting Deputy Chief Executive Officer

Attachment: 1. Essential Energy's proposed list of service classifications

Proposed list of service classifications

In the following table:

- ~~Strike through~~ identifies suggested changes to the existing classification titles and descriptions
- ***Bold & Italic*** identifies suggested amendments to the table arising from our considerations

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	¹ Recommended Approach
AER Service group - Network services			
Planning the network	Network/asset planning (asset needs assessment, asset investment planning, asset management planning, asset delivery planning. Includes risk and feasibility assessment, estimating and cost planning). Regulatory planning. Demand management planning. Network business strategy development, strategic initiatives development and management (including business improvement/efficiency initiatives). Participation in industry planning. Governance, policies, procedures, standards.	Standard Control	Standard Control Most of the activities undertaken by DNSP's in providing <i>distribution services</i> are Standard Control network services unless they are specifically classified separately. To this extent, the detailed definition of activities within "Network Services" is largely redundant, and runs the risk of not including activities that are inherent in providing the service. We are of the view that Network Services can be more simply defined with the definition below.
Designing the network	Design standards and designing the network.	Standard Control	

¹ This column replaces the classification included in the AER final decision on classification of services for 2014-19

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	1Recommended Approach
Constructing the network ²	<p>Network construction (other than construction of connection assets provided contestably).</p> <p>Project planning and works management (works program development, procurement, vendor management, contract management, work scheduling and dispatching).</p> <p>Management of environmental issues</p> <p>Asset deployment and commissioning.</p> <p>Asset relocation (other than those undertaken at a customer's request).</p> <p>Training for internal staff (e.g. safety)</p> <p>Operational technology supporting the network.</p> <p>Pole replacement.</p> <p>Augmentations of the network may also be driven by:</p> <ul style="list-style-type: none"> • the need to reinforce the network as a result of increasing demand on the network from existing users • improving security of the network where the consequences of supply loss are high • restoring capacity lost due to de-rating of existing assets 	Standard Control	

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	'Recommended Approach
Maintaining the network	<ul style="list-style-type: none"> ● addressing voltage or fault duty issues <p>Asset maintenance and network/asset performance management including:</p> <ul style="list-style-type: none"> ● Performance and condition monitoring ● Asset optimisation ● Asset maintenance / replacement / refurbishment program management ● Asset performance reporting ● Network systems maintenance ● Asset retirement ● Vegetation management, inspection and testing ● Works to fix damage to the network (other than emergency recoverable works) 	Standard Control	
Operating the network for distributor purposes	<p>Implementing Network Management Plan – Implementing the obligations under the Electricity Supply (Safety and Network Management) Regulation.</p> <p>Network/asset operations: network Control and operation, outage management, load Control provided by equipment external to a</p>	Standard Control	

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	1Recommended Approach
	<p>meter, emergency management field operations, commissioning of assets.</p> <p>Customer interactions (including in relation to network product development, customer service management, complaints and enquiries, record management, debt collection and disconnections).</p> <p>Market operations: includes revenue management, network billing and disputes, processing and publication of notifications of new connections and alterations, market notifications of retailer changes.</p> <p>EHS management (risk assessment, monitoring, program management, reporting and training).</p> <p>GIS (Dial Before You Dig services).</p> <p>Compliance monitoring and reporting.</p> <p>External stakeholder interaction (industry, regulatory, government).</p> <p>Pricing and regulatory affairs</p> <p>Financial and commercial management and reporting</p>		
<p>Network operation and administrative support</p>	<p>Includes call centres, network claim processing, network billing (including consumption data storage and analysis).</p>	<p>Standard Control</p>	

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	1Recommended Approach
Emergency response	Outage management, emergency management (for example, reinstatement of network after natural disaster).	Standard Control	
Network Services Common Distribution Services	<i>The suite of services and activities involved in operating and distributing electricity to customers safely and reliably in accordance with the NEL, NER and NSW jurisdictional requirements as a participant in the NEM and holder of a NSW distribution operator's licence. This includes, but is not limited to, planning, designing, constructing, augmenting, maintaining, managing, and operating the distribution assets and connection assets comprising the distribution system, but excludes any service defined within this classification as an Alternative Control Service, Negotiated Distribution Service or Unclassified Distribution Service.</i>		Standard Control
AER Service group - Pre-connection services			
Preliminary enquiry service	For services provided to connection applicants making a preliminary enquiry requiring site-specific or written response.	Alternative Control	Alternative Control
Connection offer service (basic or standard)	For services provided by distributors in assessing the applicant's connection application and making a basic or standard connection offer.	Alternative Control	Alternative Control - delete reference to basic or standard to align with current pricing which includes basic, standard, negotiated and site visit.
Carrying out Planning Studies and Analysis relating to distribution (including sub-	<i>This service undertakes necessary planning, quality of supply and protection studies and associated technical analysis of the distribution system (including sub-transmission and dual</i>	Alternative Control	Alternative Control - move part of title into description. Include specific reference to quality of supply and protection studies

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	1Recommended Approach
transmission and dual function assets) connection applications	function assets) to help determine suitable/feasible connection options for further consideration by proponents.		
Customer interface coordination for contestable works	This service is proposed applied where customer connections or asset relocations may require a high level of distributor involvement in order to coordinate a range of inputs from the distributor to help establish the connection.	Alternative Control	Alternative Control - slight wording change.
AER Service group - Connection services			
Premises connection assets	Includes any additions or upgrades to the connection assets located on the customer's premises which are contestable (Note: excludes all metering services). Premises connection assets can be further described as: A. Design and construction of premises connection assets (where these services are provided contestably). B. Part design and construction of connection assets that are not available contestably (generally as a result of safety, reliability or security reasons). Those parts of project works that are performed and funded by the distributor.	A. Unclassified B. Standard Control	A. Unclassified B. Standard Control
Extensions	An enhancement required to connect a power line or facility outside the present boundaries of the transmission or distribution network owned or operated by a Network Service Provider that is: A. undertaken by an ASP or NSP on behalf of a customer.	A. Unclassified	A. Unclassified

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	1Recommended Approach
	<p>B. undertaken by a customer but partly funded by a NSP (NSP contribution would be classified as a Standard Control service while the customer funded component of the service would be unclassified.).</p> <p>C. undertaken by a network service provider.</p>	<p>B. Unclassified / Standard Control based on contribution</p> <p>C. Standard Control</p>	<p>B. Unclassified / Standard Control based on contribution</p> <p>C. Standard Control</p>
Augmentations	<p>A. Any shared network enlargement/enhancement undertaken by a distributor which is not an extension.</p> <p>B. Any shared network enlargement/enhancement undertaken by a customer, but partly funded by a NSP (NSP contribution would be classified as a standard Control service while the customer funded component of the service would be unclassified).</p> <p>C. Any shared network enlargement/enhancement undertaken by an ASP or NSP on behalf of a customer.</p>	<p>A. Standard Control</p> <p>B. Unclassified / Standard Control based on contribution</p> <p>C. Unclassified</p>	<p>A. Standard Control</p> <p>B. Unclassified / Standard Control based on contribution</p> <p>C. Unclassified</p>
AER Service group - Post-connection services			
Connection/relocation process facilitation	<p>Providing connection applicants with ongoing information and advice in relation to the connection process and requirements associated with establishing a new or altered connection or a relation of existing network assets</p>	Alternative Control	Alternative Control

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	'Recommended Approach
Services to supply and connect temporary supply to one or more customers	Including equipment and related costs in relation to planned access permits.	Alternative Control	Alternative Control
Reinspection of installation work in relation to customer assets	Reinspection by a distributor of private electrical wiring work undertaken by an electrical contractor, required where the first inspection revealed defective work.	Alternative Control	Delete and replace with "Inspection Services - Private Electrical Installations".
Inspection Services - Private Electrical Installations	Inspection or reinspection by a distributor of private electrical wiring work undertaken by an electrical contractor. Initiated by submission of Certificate of Compliance of Electrical Works.	New Service - currently a mix of Standard Control and Alternative Control	Alternative Control
AER Service group - ASP connection services			
Initial Authorisation / Renewal Authorisation / Training of ASPs	Annual authorisation of individual employees and sub-contractors of ASPs and additional authorisations at request of ASP. Authorisation excludes training costs. Annual authorisation and training of individual employees and sub-contractors of ASPs. Charges may differentiate between Initial Authorisation, Renewal Authorisation and Training; and between ASP levels 1, 2 and 3.	Alternative Control	Alternative Control - note inclusion in definition to permit different charges for ASP1, ASP2 and ASP3 alongside clearer definition of Initial Authorisation, Renewal Authorisation and Training costs.

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	'Recommended Approach
ASP inspection services	Inspection and re-inspection of contestable connection and relocation works performed by Accredited Service Providers (ASPs) Level 1 and Level 2.	Alternative Control	Alternative Control - note differentiation between ASP level 1 and ASP level 2 to enable differential pricing. Also note that Essential Energy needs to expand pricing items to include separate charges for travel time, and substation / high voltage connection inspections.
Investigation, review and implementation of remedial actions associated with ASPs' connection work	The investigation, review and implementation of remedial actions associated with contestable connection works leading to corrective and disciplinary action of an ASP due to unsafe practices, substandard workmanship or other serious circumstances. that impact upon ongoing authorisation as an accredited service provider to NSW distributors.	Alternative Control	Alternative Control - note wording change to reduce ambiguity on when investigations occur.
Administration services - ASP Work relating to work performed by ASPs, including processing work	Work of an administration nature <i>by the DNSP relating to work performed by Level 1 and Level 3 ASPs, but not including processing work that is specifically included in other charge categories.</i> (not included work an administrative nature described in service – Notice of Arrangement or Authorisation of ASPs, including the processing of Level 1 and/or Level 3 work where the customer is lawfully required to pay for the Level 1 and/or Level 3 work.	Alternative Control	Alternative Control - note wording changes. Pricing should expand to include hourly rate which can be applied in the case of excessive use of services by individual ASPs.
AER Service group - Metering services			
Types 5 and 6 metering installation	Includes on site connection of a new meter at a customer's premises, and on site connection of an upgraded meter at a	Unclassified	Delete item - this service is redundant post implementation of changes to Chapter 7 of the NER.

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	1Recommended Approach
<p>customer's premises where the upgrade is initiated by the customer. Excludes installation of replacement types 5 and 6 meters initiated by the DNSP.</p> <p>Types 5 and 6 meter reading, maintenance and data services Initial metering coordinator, meter provider, and meter data provider services</p>	<p>Meter maintenance covers works to inspect, test, maintain, repair and replace meters. Meter reading refers to quarterly or other regular reading of a meter. Metering data services are those that involve the collection, processing, storage and delivery of metering data and the management of relevant NMI Standing Data in accordance with the Rules.</p> <p>Roles and functions listed under 7.3.1(a) of the National Electricity Amendment (Expanding Competition in metering and related services) Rule, ie the metering competition rule change amendment rule, ie the maintenance of a metering installation, the collection, processing, retention and delivery of metering data for type 5 and 6 metering installations.</p>	<p>Alternative Control</p>	<p>Alternative Control</p>
<p>Types 5 and 6 meter provision (before 1 July 2015)</p>	<p>By charging for this service, distributors may recover the capital cost of types 5 and 6 metering equipment (including meters with internally integrated load Control devices) installed before 1 July 2015.</p>	<p>Alternative Control</p>	<p>Alternative Control</p>
<p>Types 5 and 6 meter provision (after 1 July 2015)</p>	<p>By charging for this service, distributors may recover the capital cost of types 5 and 6 metering equipment (including meters with internally integrated load Control devices) installed on or after 1 July 2015.</p>	<p>Alternative Control</p>	<p>Delete item - this service is redundant post implementation of changes to Chapter 7 of the NER.</p>

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	'Recommended Approach
Type 7 metering services	Administration and management of type 7 metering installations in accordance with the Rules 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.	Standard Control	Standard Control
AER Service group – Ancillary Network Services - Metering	Proposed new service group added for Ancillary Network Services - Metering	New Service Group	Alternative Control
Ancillary metering services	For example, special meter reading for types 5 and 6 meters; customer or retailer requested meter accuracy testing for type 5 or 6 meters; franchise CT meter install; request for customer energy consumption data, tariff or distribution information; replacement or removal of a type 5 or 6 meter instigated by a customer switching to a non-type 5 or 6 meter that is not covered by any other fee; emergency maintenance of failed metering equipment not owned by the network.	Alternative Control	Delete item - as some services are redundant post implementation of changes to Chapter 7 of the NER and break into components detailed below.
Special meter reading and move in & move out meter reading (type 5 and 6 meters)	This service has the same meaning given to the express 'special meter reading' in the AEMO Metrology Procedure: Part A National Electricity Market. This service includes retailer request for a final or start read when a customer movement occurs.	New Service	Alternative Control
Meter test (type 5 and 6 meter)	Customer or retailer requested meter accuracy testing of a type 5 and 6 meter, where the testing is completed in	New Service	Alternative Control

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	'Recommended Approach
	accordance with the AEMO Metrology Procedure: Part A National Electricity Market		
<i>Emergency maintenance of failed metering equipment not owned by the network</i>	<i>This fee will be levied against the Retailer where Essential Energy has been called out by the customer due a power outage where an external metering provider's metering equipment has failed or an outage has been caused by the metering provider and Essential Energy has to restore power to the customer's premises. This may result in an unmetered supply arrangement at the site.</i>	<i>New Service arising from implementation of revisions to chapter 7 of the NER.</i>	<i>Alternative Control</i>
<i>Provision of Additional Metering / Consumption Data</i>	<i>Provision of data in excess of requirements under Rule 28 of the National Electricity Retail rules.</i>	<i>Alternative Control</i>	<i>Alternative Control - separation from Ancillary Metering Services.</i>
<i>Move in move out meter reads</i>	<i>B2B service orders from retailers to obtain a final read for customer move-outs or to obtain a start read where property has been vacant. This includes customer or retailer requests for a final or start read when a customer movement occurs.</i>	<i>Alternative Control</i>	<i>Deleted – replaced with Special meter reading and move in & move out meter reading (type 5 and 6 meters) above.</i>
AER Service group - Ancillary network services			
<i>Design related services</i>	<i>Provision of design information, design re-certification and design re-checking services in relation to connection and relocation works provided contestably. May incur additional costs for checking of non- standard designs provided by ASPs.</i>	<i>Alternative Control</i>	<i>Alternative Control - note modification to description to include design checking and non-standard designs. Essential Energy to expand pricing categories to include additional line items relating to substations designs and high voltage supply points not currently included.</i>

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	1Recommended Approach
Vacant property reconnect/ disconnect	<p>At the request of the retailer, a site visit to a customer's premises to disconnect or reconnect the supply of electricity due to:</p> <ul style="list-style-type: none"> • a vacant premises; or • a site where the power is on. <p>This includes meter read as required by the B2B process.</p>	Alternative Control	Replaced by services below
Reconnections/ Disconnections	<p>Disconnection or reconnection visits (site visits only); Disconnection or reconnection (disconnection completed); Disconnections or reconnections (disconnection completed – technical); Disconnections or reconnections (pole top or pillar box); Disconnection or reconnection (site visit only – pole top or pillar box); Disconnections or reconnections outside of business hours.</p> <p>At the request of the retailer, a site visit to a customer's premises for the purpose of disconnecting the customer's electricity supply.</p> <p>The disconnection method will be at Essential Energy's discretion and will involve one of the following methods:</p> <ul style="list-style-type: none"> ▪ Rotate plug in meter ▪ Removal of the service fuses ▪ Removal of the barge board fuses ▪ Turn off and sticker cover main switch <p>This charge includes the reconnection at the request of the retailer and meter read as required by the B2B process</p>	Alternative Control	Alternative Control – definition amended to be more specific in service coverage. Additional services added below to provide business more flexibility in providing cost reflective pricing for differing situations

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	'Recommended Approach
Reconnection	<p>At the request of the retailer, a site visit to a customer's premises for the purpose of reconnecting the customer's electricity supply.</p> <p>This charge includes the meter read as required by the B2B process</p>	New Service	Alternative Control – separated out as requested by Retailers as part of last determination
Reconnection / Disconnection Site Visit Only	<p>At the request of the Retailer, a site visit to a customer's premises for the purpose of disconnection or reconnecting the customer's electricity supply where the disconnection or reconnection is unable to be completed.</p>	New Service	Alternative Control
Disconnection – Pillar / Pole	<p>At the request of the retailer, a site visit to a customer's premises for the purpose of disconnecting the customer's electricity supply at the pillar box or pole top.</p> <p>This charge includes the reconnection at the request of the retailer and meter read as required by the B2B process</p>	New Service	Alternative Control
Reconnection – Pillar / Pole	<p>At the request of the retailer, a site visit to a customer's premises for the purpose of reconnecting the customer's electricity supply at the pillar box or pole top, following a disconnection pillar / pole.</p> <p>This charge includes meter read as required by the B2B process</p>	New Service	Alternative Control

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	'Recommended Approach
Reconnection / Disconnection – Pillar / Pole Site Visit	At the request of the retailer, a site visit to a customer's premises for the purpose of reconnecting or disconnecting the customer's electricity supply at the pillar box or pole top, where the disconnection or reconnection is unable to be completed.	New Service	Alternative Control
Reconnection / Disconnection outside of business hours	At the request of the retailer, request to reconnect or disconnect a customer's electricity supply outside of the hours of 7:30am and 4:00pm on a working day.	New Service	Alternative Control
Contestable Works substation commissioning	Includes Contestable substation and high voltage connection commissioning (complex) and Contestable substation, high voltage connection and non URD street lighting commissioning (basic). Involves the process of connecting the works substation to the network. Complex involves high voltage connections, kiosk and chamber substations that may involve protection settings. Basic is generally pole mounted substations and street lighting .	Alternative Control	Alternative Control - note change in title and description to pick up high voltage connections and non URD street lighting.
Access permits	The provision of an access permit by a distributor to a person authorised to work on or near distribution systems including high voltage.	Alternative Control	Alternative Control
Clearance to work	The provision of a clearance to work by a distributor to a person authorised to work on or near the system generally at a low voltage.	Alternative Control	Alternative Control

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	'Recommended Approach
Access (standby person)	The provision of access to switch rooms, substations and the like to an ASP who is accompanied by a distributor's staff member, but does not include the circumstance where an ASP is provided with keys for the purpose of securing access and is not accompanied by a distributor's staff member.	Alternative Control	Alternative Control
Notices of Arrangement / Early Notice of Arrangement	Work of an administrative nature performed by a distributor where a local council requires evidence in writing from the distributor that all necessary arrangements have been made to supply electricity to a development. <i>In some cases these may be issued before the work is 100% completed with the DNSP accepting responsibility for completion of work under a financial guarantee.</i> This may Activities include receiving and checking linen plans and 88 B instruments, copying linen plans, checking and recording easement details, preparing files for conveyancing officers, liaising with developers if errors or charges are required, checking and receiving duct declarations and any amended linen plans and 88B instruments approved by a conveyancing officer and preparing notifications of arrangement.	Alternative Control	Alternative Control - note expansion of title / definition to include Early Notice of Arrangement.
Completion Notice - other than Notice of Arrangement	<i>Applies where customer / Developer / ASP requests DNSP to provide documentation confirming progress of work. Usually associated with discharging contractual arrangements (for example progress payments) to meet contractual undertakings.</i>	<i>New Service - currently implicitly Standard Control</i>	<i>Alternative Control - New Service.</i>

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	'Recommended Approach
Conveyancing information	Supply of conveyancing information - desk inquiry; Supply of conveyancing information - field visit	Alternative Control	Alternative Control
Data Gathering - Failure to Provide Documentation	Recovery of costs where ASP does not provide required level of documentation to close project. For example "as built" drawings, design detail.	Implicitly Standard Control	Alternative Control - New Service.
Site establishment fee services	Site establishment services including issuing of meters (where applicable) and liaising with the Australian Energy Market Operator (AEMO) or market participants for the purpose of establishing NMIs in market systems, for new premises or for any existing premises for which AEMO requires a new NMI and for validation of and updating network load data.	Alternative Control	Alternative Control - note deletion of reference to metering equipment in accordance with revisions to Chapter 7 of the NER.
Customer / Retailer Initiated Off-peak conversion	The alteration of load Control the off-peak metering equipment at a customer's premises for the purpose of changing the hours that supply is made available to the Customer's connected equipment. of the metering equipment's operation.	Alternative Control	Alternative Control - note change in title to emphasise that this is a customer driven request and change in definition to remove reference to metering.
Rectification works	Includes rectification of illegal connections, provision of service crew / additional crew, fitting of tiger tails, high load escorts.	Alternative Control	Alternative Control
Services involved in obtaining deeds of agreement in relation to property rights associated with contestable connection works	Services related to the acquisition of tenure over and access to distributor assets associated with contestable connection works.	Alternative Control	Alternative Control

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	1Recommended Approach
Network tariff change request	When a retailer's customer or retailer requests an alteration to an existing network tariff (for example, a change from an Inclining Block Tariff to a Time of Use tariff), the NSW distributors conduct tariff and load analysis to determine whether the customer meets the relevant tariff criteria. The NSW distributors also process changes in their IT systems to reflect the tariff change.	Alternative Control No fee approved	Standard Control – complex to administer in a uniform and consistent manner
Recovery of debt collection costs - dishonoured transactions	The incurrance of costs, including bank fees by a NSW distributor resulting from the dishonour of a customer or ASP's cheques tendered in payment of network related services.	Alternative Control	Alternative Control
Services provided in relation to a Retailer of Last Resort (ROLR) event	The NSW distributors may be required to perform a number of services as a distributor when a ROLR event occurs. These include: Preparing lists of affected sites, and reconciling data with AEMO listings; handling in-flight transfers; identifying open service orders raised by the failed retailer and determining actions to be taken in relation to those service orders; arranging estimate reads for the date of the ROLR event and providing data for final NUOS bills in relation to affected customers; preparing final invoices for NUOS and miscellaneous charges for affected customers; preparing final debt statements; extracting customer data, providing it to the ROLR and handling subsequent enquiries; handling adjustments that arise from the use of estimate reads; assisting the retailer	Alternative Control	Alternative Control

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	'Recommended Approach
	with the provision of network tariffs to be applied and the customer move in process; administration of any 'ROLR cost recovery scheme distributor payment determination'.		
Attendance at customers' premises to perform a statutory right where access is prevented.	A follow up attendance at a customer's premises to perform a statutory right where access was prevented or declined by the customer on the initial visit.	Alternative Control	Alternative Control
Vegetation Clearing of Private Trees - Encroaching DNSP Assets	Applies to those situations where land owners / occupiers have refused to meet the costs of a direction as envisaged in the Electricity Supply Act (NSW) 1995. DNSP must be able to establish that trees were introduced after the construction of the DNSP assets.	Implicitly Standard Control	Alternative Control - New Service
Repeated Power Quality Investigation - No Fault Found	Applies in those situations where a customer has requested a Power Quality Investigation, no fault is found, and a subsequent investigation is requested with 12 months and again no fault is found. Charge applies to second and subsequent investigations and only applies if no fault is found	Implicitly Standard Control	Alternative Control - New Service
Emergency Recoverable Works - Responsible Party Identified	Work to repair damage to the distribution system by a third party and the responsible party can be identified and costs recovered.	Unclassified	Alternative Control - note where party cannot be identified, costs are recovered as part of Standard Control.

AER Service group— Public lighting services

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	¹ Recommended Approach
Public Lighting	<i>The provision, construction and maintenance of public lighting to authorities such as local councils and transport authorities to comply with relevant Australian standards in relation to public safety and amenity</i>	Alternative Control	Alternative Control
<i>Public Lighting - Emerging Technologies</i>	<i>The provision, construction and maintenance of public lighting generally in accordance with the previous item, but based on new and emerging technologies such as LED, solar and battery technologies that are put in place after the commencement of a regulatory determination period.</i>	<i>No current equivalent</i>	<i>Alternative Control - New Mechanism and Service required to overcome "no new prices" issues during tenure of determination period.</i>
<i>Lighting Services other than Public Lighting</i>	<i>Lighting provided to 3rd parties other than public lighting which utilise the DNSP's current infrastructure to provide enhanced security and amenity lighting (e.g. Night Vision)</i>	<i>Unclassified</i>	<i>Alternative Control - subject to verification that an appropriate pricing regime can be established consistent with Alternative Control Services.</i>
Unclassified distribution services			
Emergency recoverable works	Work to repair damage to the distribution network cause by a third party	Unclassified For instances where costs are not recoverable from a third party, these are not emergency	See above

Service group/Activities included in service group	Further description (if any)	AER's final decision on classification 2014-19	1Recommended Approach
		recoverable works but rather form part of standard Control services	
Water	<i>Applies to Broken Hill and Water Rights at (the former) Nymboida Hydro Plant</i>		<i>Unclassified</i>
Generation assets	<i>Non standard control generation assets i.e. Nymboida and Oaky Hydro & Western Plains Zoo Solar</i>		<i>Unclassified</i>