

Jemena Electricity Networks (Vic) Ltd

**Submission on the preliminary 2021-25 framework
and approach for Victorian electricity distribution
businesses**

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Appendix A Proposed classification of distribution services for 2021-25 regulatory control period

1. OVERVIEW

Jemena Electricity Networks (**JEN**) welcomes the opportunity to provide feedback on the AER's preliminary positions outlined in the Framework and Approach (**F&A**) to apply to the Victorian electricity distribution businesses for the 2021-25 regulatory control period. The preliminary positions in the F&A were on:

- classification of distribution services
- price control mechanisms
- incentives schemes
- expenditure forecast assessment
- depreciation of regulatory asset bases.

Classification of services

On the most part, JEN supports the distribution services classifications proposed by the AER in the preliminary F&A. However, we note three distribution services we requested¹ for classification were not included in the preliminary F&A and we are seeking for these to be classified. In this submission we explain why those distribution services should be classified in the final F&A.

In addition, we request several connection application and management services we currently provide to be classified in the final F&A. We also propose minor changes to the descriptions of some distribution services in Appendix B of the preliminary F&A also to provide clarity.

JEN accepts the AER's preliminary position to continue the application of the price control mechanisms, the expenditure forecast assessment and incentive schemes for the 2021-25 regulatory control period.

Price control formulae

JEN seeks minor amendments to the inflation escalator in the price control formulae, to address the calendar year treatment on network tariff changes in Victoria.

Incentive schemes

With a rapidly changing and customer driven environment, JEN considers that some aspects of the incentive framework have not kept pace with customer expectations, in particular, customers rely on digital channels more and more and yet traditional measures such as telephone answering are fast becoming outdated. We seek to address this issue by proposing a small scale incentive scheme (**SSIS**) linked to the growing and complex customer expectations.

¹ JEN, *Request for a replacement Framework and Approach*, 30 April 2018.

2. CLASSIFICATION OF DISTRIBUTION SERVICES

Soon after the releases of the preliminary F&A, the AER released its Service classification guideline (**Guideline**).² The purpose of the guideline is to establish “in principle” classifications of like service to give greater consistency and certainty on how the AER will treat services in the regulatory determinations it makes. The Guideline notes that, whilst a baseline of classifications is established, there may be reason to vary the classification of services due to jurisdictional reasons or market changes.

In responding to the consultation on the preliminary F&A, we have done so on the basis that the AER has taken account of the Guideline classifications and that any differences between the Guideline and the preliminary F&A are made in accordance with the provision within the Guideline to allow for variations. For the avoidance of doubt, we are responding to the classifications in the preliminary F&A and do not expect there to be any further changes in the preliminary F&A stemming from different positions noted in the Guideline. If the AER contemplates making variations to the service classification in the final F&A because of the differing positions in the Guideline, then we would like the opportunity to engage with the AER further.

On the most part, JEN supports the AER’s preliminary positions on the classifications of distribution services in the preliminary F&A. However, we seek a number of minor amendments as outlined below.

2.1 COMMON DISTRIBUTION SERVICES

JEN considers the descriptions and service classifications of the common distribution services for the 2021-25 regulatory control period are appropriate, except for the description of the service “DNSP contribution to third-party initiated network asset relocations/re-arrangements under ESCV Guideline 14”.

We consider the words “DNSP contribution to” is not necessary as footnote 267 in the preliminary F&A adequately clarifies the matter on contributions.

2.2 NETWORK ANCILLARY SERVICES

2.2.1 NETWORK SAFETY SERVICES

‘Third party request for de-energising wires for safe approach’ is a network safety service listed in the table of distribution services in the AER’s Electricity Distribution Services Classification Guideline. JEN currently provides this service. Accordingly, we propose this service be included in the final F&A and consider this service should be classified as an alternative control service.

2.2.2 PLANNED SUPPLY INTERRUPTION – RETAILER REQUESTED

Under metering competition, a retailer (or their agent) may request planned supply interruptions to customer premises and subsequent restoration in the course of providing competitive metering services.

JEN requests this service be included in the table of service classification of distribution services in final F&A in the event a more competitive market develops and the need arises when network businesses are

² AER, *Electricity Distribution Service Classification Guideline*, 27 September 2018.

required to provide the services. We consider this service should be classified as an alternative control service.

2.2.3 EMERGENCY MAINTENANCE OF FAILED METERING EQUIPMENT NOT OWNED BY THE DISTRIBUTOR (CONTESTABLE METERS)

This service involves restoration of power to a customer's premises where a distributor is called out by the customer or their agent (e.g. retailer, metering coordinator or metering provider) due to a power outage caused by the failure of a competitive metering provider's metering equipment or an outage has been caused by the metering provider.

JEN believes a customer or retailer may request emergency supply restoration where a third party faulty metering equipment is the cause of the supply outage to the premises. The supply restoration may involve emergency repair that is temporary and limited to get the supply back on until the faulty metering installation is permanently repaired by the competitive meter provider.

JEN requests this service to be included in the list of service classification of distribution services in final F&A in the event the Victorian Government introduces metering competition anytime during the 2021-25 regulatory control period for sites with annual consumption below 160MWh. We consider this service should be classified as an alternative control service.

2.2.4 PROVISION OF ELECTRICITY NETWORK AND ENERGY CONSUMPTION DATA

The preliminary F&A lists a service described as "Customer requested provision of electricity network" and further describes the service as "Data requests by customers or third parties including requests for the provision of electricity network data or consumption data outside of legislative obligations".

We consider network data and customer consumption data are two different types of data and they are used for different purposes.

Network data is generally about network performance (e.g. reliability data such as SAIDI, MAIFI, etc.) and network characteristics (e.g. conductor size, length, capacity, ratings of cable and transformers, etc). Prospective connection applicants may ask for this type of data.

Consumption data is about electricity usage. Customers usually ask for their energy consumption data in a file format suitable for upload to a price comparator – for example, the Victorian Government electricity price comparator³ to discover the lowest retail electricity price offers.

JEN proposes the AER modifies this service description in the final F&A to distinguish the provisions of network data and consumption data. Our suggested changes are shown in Appendix A of this submission.

³ Victorian Energy Compare, <https://compare.energy.vic.gov.au/>.

2.3 METERING SERVICES

2.3.1 METER EXIT SERVICES

For the current regulatory period, the AER has determined a meter exit service fee that recovers the written down value and efficient costs of removing and disposing of an AMI meter⁴ in circumstances where the meter is replaced by a competitive meter provider under metering competition.

In our request for a replacement F&A,⁵ JEN proposed to retain the meter exit service in the 2021-25 regulatory control period. However, the preliminary F&A paper did not include this service and no reasons were provided by the AER.

JEN requests this service to be included in the table of service classification of distribution services in final F&A to allow for the development of a future market, and to accommodate the current situation where brownfield sites become embedded networks and the network meter is removed. We consider a fee-based alternative control service classification is appropriate.

2.4 CONNECTION SERVICES

2.4.1 BASIC, STANDARD AND NEGOTIATED CONNECTION SERVICES

The preliminary F&A adopts connection services descriptions and categories outlined in chapter 5A of the NER.⁶ We welcome this decision.

Basic connection services are for a class of customers who seek connection services that involve minimal or no augmentation or extensions of the distribution network and the AER has approved a model standing offer for providing the services. JEN routinely provides basic connection services to residential and small business customers and the services may or may not include micro embedded generators. The AER's preliminary position is to classify basic connection services as alternative control service for the 2021-25 regulatory control period.

Connection services defined as standard or negotiated connection services generally require augmentation and/or extension of the distribution network. For the 2016-20 regulatory control period, the AER classified any new connection that requires augmentation as SCS. The AER's preliminary position is to classify standard and negotiated connection services as SCS for the 2016-20 regulatory control period.

JEN welcomes the AER's preliminary position on services classification of standard and negotiated connection services involving augmentation of the network as it effectively means continuation of the current arrangements for determining connection charges.

⁴ A smart meter used in Victoria that complies to the *AMI Specifications Order* made under sections 15A and 46D of the *Electricity Industry Act 2000*.

⁵ JEN, *Request for a replacement Framework and Approach*, 30 April 2018.

⁶ JEN, *Request for a replacement Framework and Approach*, 30 April 2018, Pg. 3.

2.4.2 CONNECTION APPLICATION AND MANAGEMENT SERVICES

2.4.2.1 Temporary connection services

JEN proposes the description of 'temporary connection' service be modified to clarify a temporary connection service may be provided for such purposes as:

- mobile services, such as health services and X-ray vans;
- events such as carnivals, fetes and festivals; *and*
- construction of buildings and public transport infrastructure (e.g. rail lines, roads).

The effort and cost involved in providing a temporary basic connection service are comparable to a permanent basic connection service, except that the connection must be abolished later when the supply is no longer required. Accordingly, a fee-based alternative control service classification is appropriate.

Where a connection applicant requests a temporary connection service for the construction of large buildings and public transport infrastructure (e.g. rail lines, roads and tunnels), JEN considers a quoted alternative control service classification is appropriate as the scope and cost of providing these services vary significantly between connection applicants.

Our proposed changes to the descriptions of 'temporary connection' services are shown in Appendix A of this submission.

2.4.2.2 Temporary disconnection and subsequent reconnection services

Field-based temporary disconnection and subsequent reconnection services are provided to customers and retailers on request. A customer or retailer may request:

- a remote de-energisation and re-energisation;
- a field-based de-energisation and re-energisation; or
- a physical disconnection and reconnection of the premises at the distribution network (e.g. at the top of a pole or above a shop veranda).

Remote and field-based energisation and re-energisation services are covered in the preliminary F&A.

A de-energisation service involves fuse removal, whereas a physical disconnection involves disconnection of the service cable at the distribution network. In this regard, de-energisation has a different meaning to disconnection.

JEN proposes the 'temporary disconnection and subsequent reconnection' service be classified the final F&A for the 2021-25 regulatory control period. We consider an alternative control service classification is appropriate for this service.

2.4.3 OTHER CONNECTION SERVICES

JEN currently provides a number of connection application and management services, but they are not explicitly listed in the table of distribution services in Appendix B of the preliminary F&A. The services are:

- a. embedded network management;

- b. calculation of site-specific loss factors;
- c. supply enhancement (for example, upgrade from single phase to three phase);
- d. power factor correction; and
- e. enhanced connection for large embedded generators (30 kW 3 phase or above and 5 kW 1 phase or above).

In the preliminary F&A, the AER notes that it intends to classify embedded network management service and calculation of site-specific loss factors as alternative control services under the connection application and management services group.⁷

Given the AER's Electricity Distribution Services Classification Guideline includes the above-noted services c, d and e, JEN also requests services a, b, c, d and e be included in the final F&A.

2.5 PUBLIC LIGHTING SERVICES

JEN considers the descriptions and service classifications of the public lighting services proposed in the preliminary F&A for the 2021-25 regulatory control period is appropriate.

⁷ AER, Preliminary framework and approach, Victorian distributors, September 2018, Pg. 34.

3. CONTROL MECHANISMS

The AER's preliminary position is to apply the following forms of control in the 2021-25 regulatory control period.

- revenue cap for services classified as standard control services;
- revenue cap for type 5 and 6 (including smart meters) metering services classified as alternative control services; and
- caps on prices of individual services classified as alternative control services.

JEN considers AER's preliminary position on the forms of controls is appropriate for the 2021-25 regulatory control period.

Price control formulae

In the preliminary F&A, the AER proposed a formula that gives effect to control mechanisms for quoted alternative control services.⁸ JEN has identified that the control mechanism formulae in sections 2.3.9 and 2.4.9 of the preliminary F&A reference the December quarter for annual adjustments in the consumer price index (**CPI**). Victorian electricity distributors are required to submit their annual tariff submissions to the AER by September of each year, hence we consider the annual CPI change should be referenced to the June quarter of each year.

⁸ AER, *Preliminary framework and approach, Victorian Distributors, September 2018*, Figures 2.2 and 2.3.

4. INCENTIVES SCHEMES

The AER's preliminary position is to continue the application of a range of incentives schemes to the Victorian distributors for the 2021-25 regulatory control period. The incentives include:

- service target performance incentive scheme (**STPIS**);
- efficiency benefit sharing scheme (**EBSS**);
- capital expenditure sharing scheme (**CESS**);
- demand management incentive scheme (**DMIS**) and demand management innovation allowance mechanism (**DMIAS**); and
- Victoria F-factor scheme.

JEN accepts the AER's preliminary position on the continued application of the schemes for the 2021-25 regulatory control period.

Small-scale incentive scheme

With a rapidly changing and customer driven environment, JEN considers that some aspects of the incentive framework have not kept pace with change, in particular, customer expectations have risen substantially and that traditional measures such as telephone answering have become outdated. We see this in everyday life where customers increasingly use digital channels—including social media—to communicate with businesses and to each other. In this context, JEN considers that meeting the long-term interests of customers can be achieved by amending the incentive framework to align with the evolving and customer driven market. We seek to address this issue by proposing a small scale incentive scheme linked to the growing and complex customer expectations and scaling back the telephone answering mechanism in the STPIS.

We note that other Victorian distribution businesses are considering similar schemes and consider jurisdictional adoption of an SSIS would create greater consistency for customers in Victoria, even if the metrics that underpin the incentive framework are different.

As identified in the preliminary F&A, JEN has engaged with our customers through a deliberative people's panel process⁹ on a number of key themes to understand what they value most. The panel members provided us with a set of clear recommendations to consider when preparing our regulatory proposal. In these recommendations, they told us they value information on supply restoration times following planned or unplanned outages and keeping them updated until supply is restored amongst other expectations of JEN's business. An incentive scheme around the distribution services customer's value would align to the preferences that our customers told us they value the most.

We are continuing to engage with our customers on the design of an SSIS; this is an ongoing process. Therefore, we propose to create provision with the F&A for the scheme framework and provide details of the mechanism in our 2021-25 regulatory proposal.

⁹ <https://yourgrid.jemena.com.au/>

5. DEPRECIATION

In the preliminary F&A paper, the AER noted that it intends to continue to use forecast depreciation approach to establish the RAB at the commencement of the 2026–30 regulatory control period—that is, the opening RAB will be based on actual capex less the depreciation on the forecast capex approved for the regulatory control period.

JEN agrees with the AER’s preliminary position that forecast depreciation should be used for the 2026–30 period in combination with a CESS and an EBSS since this approach provides a good balance of incentives.

Appendix A
Proposed classification of distribution services for 2021-25 regulatory control period

A1. PROPOSED SERVICE CLASSIFICATION OF DISTRIBUTION SERVICES 2021-25

The examples and activities listed in the 'Further description' column of Table A1–1 are not intended to be an exhaustive list and some Victorian electricity distribution businesses may not offer all activities listed. Rather the examples provide a sufficient indication of the types of activities captured by the service.

Table A1–1: JEN’s proposed changes (shown in red) to the AER’s preliminary service classification of distribution services for the regulatory control period 2021-25

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
Common distribution service - use of the distribution network for the conveyance/flow of electricity (including the services relating to network integrity)			
Common distribution service (formerly 'network services')	<p>The suite of activities that includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> the planning, design, repair, maintenance, construction and operation of the distribution network works to fix damage to the network (including emergency recoverable works) support for another distributor during an emergency event procurement and provision of network demand management activities for distribution or system reliability, efficiency or security purposes activities related to 'shared asset facilitation' of distributor assets¹⁰ 	Standard control	Standard control

¹⁰ Revenue for these services is charged to the relevant third party and is treated in accordance with the shared asset guideline. 'Shared asset facilitation' refers to administrative costs. It does not refer to the costs associated with providing the unregulated service itself.

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
	<ul style="list-style-type: none"> • emergency disconnect for safety reasons and work conducted to restore a failed component of the distribution system to an operational state upon investigating a customer outage • establishment and maintenance of National Metering Identifiers (NMI's) in market and/or network billing systems, and other market and regulatory obligations • ongoing inspection of private electrical networks (not part of the shared network) required under legislation for safety reasons¹¹ • supply abolishment of basic connection¹² • customer safety information, e.g. 'dial before you dig' services • bulk supply point metering - activities relating to monitoring the flow of electricity through the distribution network • DNSP contribution to third-party initiated network asset relocations/re-arrangements under ESCV Guideline 14¹³ 		
Network ancillary services – customer and third party-initiated services related to common distribution services			
Access permits, oversight and facilitation	Activities include: <ul style="list-style-type: none"> • a distributor issuing access permits or clearances to work to a person authorised to work on or near distribution systems including high and low voltage 	Unclassified	Alternative control

¹¹ The Victorian Electricity Safety Act 1998, clause 113F, requires Vic DNSPs to inspect overhead private electric lines.

¹² This service is classified as Standard Control Services under the 2016-20 Determination for public safety reasons. Victorian DNSPs wish to continue with the classification.

¹³ This classification applies where a customer contribution is calculated and applied in accordance with Essential Services Commission (ESCV) Guideline 14 or where a customer contribution is calculated and applied in accordance with any other relevant Victorian legislation or regulation, including regulations made under the National Electricity (Victoria) Act, 2005. The party requesting such works under this classification must pay the net cost of the works, subject to any rebates specified in Guideline 14 or by any other relevant Victorian legislation or regulation.

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
	<ul style="list-style-type: none"> • a distributor issuing confined space entry permits and associated safe entry equipment to a person authorised to enter a confined space • a distributor providing access to switch rooms, substations and other network equipment to a non- Local Network Service Provider party who is accompanied and supervised by a distributor's staff member. May also include a distributor providing safe entry equipment (fall-arrest) to enter difficult access areas • specialist services (which may involve design related activities and oversight/inspections of works) where the design or construction is non-standard, technically complex or environmentally sensitive and any enquiries related to distributor assets • facilitation of generator connection and operation of the network • facilitation of activities within clearances of a Distributor's assets, including physical and electrical isolation of assets 		
Sale of approved materials or equipment	<ul style="list-style-type: none"> • includes the sale of approved materials/equipment to third parties for connection assets that are gifted back to become part of the shared distribution network. 	Unclassified	Alternative control
Notices of arrangement and completion notices	<p>Examples include:</p> <ul style="list-style-type: none"> • work of an administrative nature where a local council requires evidence in writing from the Distributor that all necessary arrangements have been made to supply electricity to a development. This may include receiving and checking subdivision plans, copying subdivision plans, checking and recording easement details, assessing supply availability, liaising with developers if errors or changes are required and preparing notifications of arrangement. • provision of a completion notice (other than a notice of arrangement). This applies where the real estate developer requests the Distributor to 	Unclassified	Alternative control

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
	provide documentation confirming progress of work. Usually associated with discharging contractual arrangements (e.g. progress payments) to meet contractual undertakings.		
Network related property services	<ul style="list-style-type: none"> network related property services such as property tenure services relating to providing advice on, or obtaining: deeds of agreement, deeds of indemnity, leases, easements or other property tenure in relation to property rights associated with a connection or relocation. conveyancing inquiry services relating to the provision of property conveyancing information at the request of a customer. 	Unclassified	Alternative control
Network safety services	<p>Examples include:</p> <ul style="list-style-type: none"> provision of traffic control and safety observer services by the Distributor where required fitting of tiger tails, possum guards and aerial markers high load escorts third party request for de-energising wires for safe approach site visit relating to location of underground cables/assets. 	Alternative control	Alternative control
Planned Interruption – Customer requested	<p>Examples include:</p> <ul style="list-style-type: none"> where the customer requests to move a distributor planned interruption and agrees to fund the additional cost of performing this distribution service outside of normal business hours customer initiated network outage (e.g. to allow customer and/or contractor to perform maintenance on the customer's assets, work close to or for safe approach, which impacts other networks users). 	Unclassified	Alternative control
Customer requested supply outage	<p>Examples include:</p> <ul style="list-style-type: none"> customer initiated network outage (e.g. to allow customer and/or contractor to perform maintenance on the customer's assets, work close 	Unclassified	Alternative control

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
	to or for safe approach, which impacts other networks users). This example is moved above.		
Planned supply interruption – Retailer requested	retailer (or their agent) requested planned supply interruption to customer premises and subsequent restoration when providing competitive metering services	Unclassified	Alternative control
Emergency maintenance of failed metering equipment not owned by the Distributor (contestable meters)	The Distributor is called out by the customer or their agent (e.g. retailer, metering coordinator or metering provider) due to a power outage where an external metering provider's metering equipment has failed, or an outage has been caused by the metering provider and the Distributor has had to restore power to the customer's premises. This may result in an unmetered supply arrangement at this site. This fee will also be levied where a metering provider has requested the Distributor to check a potentially faulty network connection and when tested by the Distributor, no fault is found	Unclassified	Alternative control
Inspection and auditing services	<p>Activities include:</p> <ul style="list-style-type: none"> inspection and reinspection by a Distributor, of gifted assets or assets that have been installed or relocated by a third party investigation, review and implementation of remedial actions that may lead to corrective and disciplinary action of a third-party service provider due to unsafe practices or substandard workmanship auditing of a third-party service provider's work practices in the field re-test at a customer's installation, where the installation fails the initial test and cannot be connected. 	Alternative control	Alternative control
Provision of training to third parties for network related access	Training services provided to third parties that result in a set of learning outcomes that are required to obtain a distribution network access authorisation specific to a Distributor's network. Such learning outcomes may include those necessary to demonstrate competency in the Distributor's electrical safety rules, to hold an access authority on the Distributor's network and to carry out switching	Unclassified	Alternative control

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
	on the Distributor's network. Examples of training might include high voltage training, protection training or working near power lines training.		
Authorisation and approval of third party service providers design, work and materials	<p>Activities include:</p> <ul style="list-style-type: none"> • authorisation or re-authorisation of individual employees and subcontractors of third party service providers and additional authorisations at the request of the third-party service providers (excludes training services). • acceptance of third party designs and works • assessing an application from a third party to consider approval of alternative material and equipment items that are not specified in the Distributor's approved materials list 	Alternative control	Alternative control
Security lights	<p>Provision, installation, operation and maintenance of equipment mounted on a Distributor's pole used for security services, e.g. nightwatchman lights</p> <p>Note: excludes connection services.</p>	Unclassified	Alternative control
Customer requested provision of electricity network data	Data requests by customers or third parties including requests for the provision of electricity network data or consumption data outside of legislative obligations.	Unclassified	Alternative control
Third party requested network alterations or other improvements	Alterations or other improvements to the shared distribution network to enable third party infrastructure (e.g. NBN Co. telecommunications assets) to be installed on the shared distribution network. This does not relate to upstream distribution network augmentation.	Alternative control	Alternative control
Metering Services - activities relating to the measurement of electricity supplied to and from customers through the distribution system (excluding network meters)			

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
Type 1 to 4 metering services	Type 1 to 4 metering installations ¹⁴ , including the instrument transformer (as per the definition of a 'metering installation' in Chapter 10 of the NER) and supporting services are competitively available.	Unregulated	Unregulated
Types 5 and 6 meter (including smart meter) services where the Distributor is responsible	Activities include: <ul style="list-style-type: none"> recovery of the capital cost of type 5 and 6 metering equipment¹⁵ including communications network (including meters with internally integrated load control devices) testing, inspecting, investigating, maintaining or altering existing type 5 or 6 metering installations or instrument transformers quarterly or other regular reading of a metering installation metering data services are those that involve the collection, processing, storage and delivery of metering data, the provision of metering data, remote or self-reading at difficult to access sites, and the management of relevant NMI Standing Data in accordance with the NER 	Alternative Control	Alternative Control
Meter recovery and disposal – type 5 and 6 (including smart meters)	Meter exit service activities include the removal and disposal of a type 5 or 6 metering installation: <ul style="list-style-type: none"> at the request of the customer or their agent, where an existing type 5, 6 or an AMI smart meter remains installed at the premises and a replacement meter is not required at the request of the customer or their agent, where a permanent disconnection has been requested where it has not been removed and disposed of by the incoming metering provider 	Alternative Control	Alternative Control
Auxiliary metering services (Type 5)	Activities include:	Alternative Control	Alternative Control

¹⁴ Includes the instrument transformer, as per the definition of a 'metering installation' in Chapter 10 of the NER.

¹⁵ Includes the instrument transformer, as per the definition of a 'metering installation' in Chapter 10 of the NER.

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
to 7 (including smart meter) where the Distributor remains responsible	<ul style="list-style-type: none"> • requests to test, inspect and investigate, or alter an existing type 5 or 6 metering installation • testing and maintenance of instrument transformers for type 5 and 6 metering purposes • non-standard metering services for Type 5 to 7 meters and any other meter types introduced • works to re-seal a type 5 or 6 meter due to customer or third-party action (e.g. by having electrical work done on site) • change distributor load control relay channel on request that is not a part of the initial load control installation, nor part of standard asset maintenance or replacement • remote de-energisation and re-energisation • remote meter configuration • field based special meter read • office based special meter read • access to additional metering data¹⁶ 		
Type 7 metering services	Administration and management of type 7 metering installations in accordance with the NER and jurisdictional requirements. Includes the processing and delivery of calculated metering data for unmetered loads, and the population and maintenance of load tables, inventory tables and on/off tables.	Alternative control	Alternative control
Connection Services¹⁷ - services relating to the electrical or physical connection of a customer to the network			

¹⁶ Clause 11(5) of the Advanced metering infrastructure (AMI Tariffs) Order (Gazette No. S 216 Wednesday 19 June 2013), allows a distributor to impose a charge for provision of interval meter data in certain circumstances.

¹⁷ When discussing connections, we must consider how connection policies and chapter 5A of the NER impact the regulation of connection services. For this reason, we will not be able to completely address the classification of connection services in the classification guideline.

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
Basic connection services	<p>Means a <i>connection service</i>¹⁸ related to a <i>connection</i> (or a proposed <i>connection</i>) between a <i>distribution system</i> and a <i>retail customer's</i> premises (excluding a non-registered <i>embedded generator's</i> premises) in the following circumstances:</p> <p>(a) either:</p> <ol style="list-style-type: none"> 1. the <i>retail customer</i> is typical of a significant class of <i>retail customers</i> who have sought, or are likely to seek, the service; or 2. the <i>retail customer</i> is, or proposes to become, a <i>micro embedded generator</i>; and <p>(b) the provision of the service involves minimal or no <i>augmentation</i> of the <i>distribution network</i>; and</p> <p>(c) a <i>model standing offer</i> has been approved by the AER for providing that service as a <i>basic connection service</i>.</p>	Alternative control	Alternative control
Standard connection service	Means a connection service (other than a basic connection service) for a particular class (or sub-class) of connection applicant and for which a model standing offer has been approved by the AER.	Standard control	Standard control
Negotiated connection service	Means a connection service (other than a basic connection service) for which a DNSP provides a connection offer for a negotiated connection contract. This includes connections under Chapter 5 of the NER.	Standard control	Standard control
Connection application and	Works initiated by a customer or retailer which are specific to the connection point. Includes, but is not limited to:	Alternative control	Alternative control

¹⁸ Italics denotes definitions in Chapter 5A of the NER.

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
management services	<ul style="list-style-type: none"> • field base de-energisation¹⁹ and re-energisation • non-basic supply abolishment or reposition non-basic connection • basic temporary connections (e.g. temporary connections for builder's supply, fetes etc.) • standard and negotiated temporary connections for construction of large buildings and public transport infrastructure (e.g. rail lines, roads and tunnels) • temporary disconnection and subsequent reconnection • overhead service line replacement – customer requests the existing overhead service to be replaced (e.g. as a result of a point of attachment relocation). No material changes to load • protection and power quality assessment • supply enhancement of basic connection services (e.g. upgrade from single phase to three phase) • customer requested change requiring secondary and primary plant studies for safe operation of the network (e.g. change protection settings) • upgrade from overhead to underground service • rectification of illegal connections or damage to overhead or underground service cables • calculation of a site-specific distribution loss factor on request in respect of a generating unit up to 10 MW or a connection point for an end-user with actual or forecast load up to 40 GWh per annum capacity, as per clause 3.6.3(b1) of the NER • power factor correction • embedded network management 		

¹⁹ De-energisation services related to business as usual activities and de-energisation services that may relate to changing over meter types

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
	<ul style="list-style-type: none"> • assessing connection applications or a request to undertake relocation of network assets as contestable works and preparing offers • processing preliminary enquiries requiring site specific or written responses • undertaking planning studies and associated technical analysis (e.g. power quality investigations) to determine suitable/feasible connection options for further consideration by applicants • liaising with groups representing multiple connecting parties (e.g. community group upgrades) • site inspection in order to determine the nature of the connection service sought by the connection applicant and ongoing co-ordination for large projects • registered participant support services associated with connection arrangements and agreements made under Chapter 5 of the NER. 		
Enhanced connection services	<p>Other or enhanced connection services provided at the request of a customer or third party that include those that are:</p> <ul style="list-style-type: none"> • provided with higher quality of reliability standards, or lower quality or reliability standards (where permissible) than required by the NER or any other applicable regulatory instruments. This includes reserve feeder installation and maintenance. • in excess of levels of service or plant ratings required to be provided by the Victorian Distributors • for large embedded generators (refer to the connection charges policy for threshold limits of connecting generation capacity). 	Alternative control/ negotiated/ unclassified	Alternative control
Public Lighting - lighting services provided in connection with a distribution network			

Service group	Service description	Current classification 2016-20	Proposed classification 2021-25
Public lighting	<ul style="list-style-type: none">• operation, maintenance, repair and replacement public lighting services• alteration and relocation of public lighting assets• new public lighting services incl. greenfield sites & new light types (Distributor provided).• provision, construction and maintenance of emerging public lighting technology	Alternative control/ negotiated	Alternative Control