

Tariff Structure Statement Formal Statement

Regulatory Control Period 1 July 2017 to 30 June 2019

Tasmanian Networks Pty Ltd Tasmanian Distribution Tariff Structure Statement Regulatory Control Period: 1 July 2017 to 30 June 2019

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1 Changes to our Tariff Structure Statement

Following the publication of the draft decision, the Australian Energy Regulator (**AER**) indicated that it would prefer:

- a Tariff Structure Statement that addresses the requirements of clause 6.18.1A of the National Electricity Rules;
- a separate document that provides background on the development of the proposed tariffs and explains why the proposal complies with the Rules requirements.

In our initial Tariff Structure Statement, we combined in a single document the information requirements by the Rules with the background and compliance explanatory material. In accordance with the AER's preferred approach, this document is the 'Tariff Structure Statement – Formal Statement'. A separate 'Tariff Structure Statement – Background and Explanation' will be submitted alongside this document.

2 Tariff Strategy

In line with the network pricing principles set out in clause 6.18.5 of the National Electricity Rules (**Rules**), our overarching Tariff Strategy is to move towards more cost reflective pricing and network tariff structures that enable customers to:

- recognise and pay for the value the network provides to them; and
- make more informed decisions regarding their electricity usage, including through investments in embedded generation, storage, control technology and electric vehicles.

The changes to network tariffs over the coming regulatory periods are three-fold:

- 1. remove the discounts that exist in some of our network tariffs to reduce the level of cross-subsidies between tariffs and within classes of customers (e.g. heating and hot water specific tariffs¹);
- 2. rebalance the service and variable components of most existing network tariffs by increasing the emphasis on the service charges and reducing the extent to which variable consumption based charges are used to recover the cost of providing network services; and
- 3. introduce new time of use demand based network tariffs, which residential and low voltage business customers can opt into via their electricity retailer.

We provide further details on each of these developments in sections 2.1 to 2.3 below. We propose to commence these changes during the forthcoming two-year regulatory period (1 July 2017 to 30 June 2019), taking incremental steps across the two subsequent five-year regulatory periods to achieve full cost reflectivity by July 2029.

For most customers the transition phase will involve small changes while we continue to pursue our strategy of sustainable and predictable pricing. Our aim is to promote a customer led shift to time of use demand based network tariffs, while transitioning tariffs to reflect total efficient costs, thereby removing cross-subsidies between existing network tariffs and between classes of customers.

Over the next two years we aim to improve the quality of information available to support future network tariff strategies, and ensure new tariffs enable customers to manage their own costs by changing their behaviour, while ensuring fair recovery of the costs of providing network services. These outcomes will only be achieved where the incentives for customers to change the way they use the network are aligned with the efficient utilisation of network assets.

2.1 Removing cross subsidies between classes of customers

A number of TasNetworks' specific network tariffs include a discount compared to the general tariff applied to that class of customer. These discounted network tariffs are:

¹ Uncontrolled Low Voltage Heating network tariff (**TAS41**)

- Business Low Voltage Nursing Homes network tariff (TAS34²);
- General Network Business Curtilage network tariff (TASCURT³); and
- Uncontrolled Low Voltage Heating network tariff (TAS41).

These discounts are the result of historical policy settings, which are no longer relevant or compliant with the current regulatory requirements. We plan to align these network tariffs with the general network tariffs applied to other customers in the same class. Given there is no distinguishable difference between the customers on these specific network tariffs and the general network tariffs, maintaining these discounts results in the customers on these network tariffs being cross subsidised by other similar customers.

The aim of the realignment is for each component of these specific networks tariffs to achieve parity with the general network tariffs that apply to other customers in the same class. To achieve this, we will make adjustments to each tariff component until the alignment is complete. There will be no sudden abolition of these discounted tariffs. The realignment approach for each tariff is described below:

- The Business Low Voltage Nursing Homes network tariff (TAS34) will be aligned with the Business Low Voltage General tariff (TAS22). The service charge and the first consumption band are already aligned with the alignment of the remaining consumption band to occur over the next four to five years.
- The Business Curtilage network tariff (**TASCURT**) will also be aligned to the Business Low Voltage General tariff (**TAS22**). This process has already commenced with the discount reduced each year since 2008. We expect the service charge component of the network tariff to be aligned by 2019-20. The consumption component is already aligned.
- The Uncontrolled Low Voltage Heating network tariff (**TAS41**) currently provides customers with a significantly discounted network energy rate for hard-wired heating and hot water. We have started to gradually rebalance the price of this discounted network tariff with the Residential Low Voltage General (**TAS31**) network tariff.

We aim for discounted network tariffs to be completely realigned by the end of the 1 July 2024 to 30 June 2029 regulatory period. However, we will seek to rebalance the network tariffs more quickly where revenue determinations and price impacts allow.

² TAS34 is no longer available to new customers

³ TASCURT is no longer available to new customers

2.2 Rebalancing the service and variable tariff parameters

The overall aim of this rebalancing is to structure each element of our network tariffs so that we provide our customers with appropriate signals about how their usage impacts network costs, and that overall revenues recover our forecast efficient costs. The main driver of network cost is customer demand at peak times. Where our network tariffs include a time of use demand based charge, the revenue to be recovered from the peak demand based charge is set equal to or approaching the long run marginal cost. This provides a clear signal to customers about the impact of their usage on future costs.

When considering the recovery of revenue between service and consumption based charges, our strategy is to increase the proportion of revenue to be recovered through service charges and reduce the revenue to be recovered through consumption charges. This rebalancing better reflects our cost structure, which is largely fixed. Over the next two years⁴, TasNetworks will increase the service charges by five per cent.

The movement in tariffs and tariff components will be reviewed over the next two years as part of the distribution revenue determination, and re-analysed in the light of the additional information and experience with the new time of use demand based tariffs.

2.3 Introducing new time of use demand based time of use network tariffs

The third and perhaps most critical component of our proposed changes is the introduction of time of use demand based time of use tariffs for residential and low voltage business customers.

Technological and customer driven changes in the electricity market - such as the widespread uptake of solar panels - have highlighted the deficiencies in our current consumption based network tariffs, which do not reflect the cost drivers of our business. Our view is that time of use demand based network tariffs are the best network tariff structure for the future. They better reflect the costs of providing network services and the drivers of those costs. We also believe these tariffs send price signals to customers that will enable them to benefit from changing their behaviour in a way that may defer or negate the need for the provision of additional network capacity.

From 1 July 2017, we will introduce new time of use demand based time of use network tariffs for residential and low voltage business customers. These network tariffs will be available on an opt-in basis through electricity retailers.

⁴ 2017-18 and 2018-19

The new time of use demand based network tariffs depart from the existing practice of charging based on consumption volumes, as energy consumption does not drive network costs. Instead, the new tariffs target times of likely network stress from peak electricity demand, with the customer charge based on the highest 30-minute interval of use during a billing period. This pricing approach is known as a 'time of use' charging. The new network tariff will retain a service charge component, but the variable component will only comprise the time of use demand charge. There will be no consumption charges.

The new residential / low voltage business customer network tariffs will reduce prices at offpeak times, but charge more at peak times. This encourages customers to consider switching off appliances, draw on battery devices or switch their consumption to off peak periods to manage electricity bills.

We are not proposing any fundamental changes to the design of existing network tariffs for customers supplied at high voltages. As discussed above, we will seek to rebalance the charges and modify the service/variable components, however, these tariffs already feature combinations of cost reflective elements such as time of use and demand based charges.

The figure below shows the current and future state charging structure for each tariff class.

Current State	Current State							
Tariff components	Residential	Small business	Controlled	Uncontrolled	Large business (LV)	Large business (HV)	Irrigation	Unmetered supply
Demand					\checkmark	\checkmark		 ✓
Time of use (consumption)	✓	\checkmark				 Image: A second s	 Image: A second s	
Consumption	\checkmark	\checkmark	\checkmark	 Image: A second s	\checkmark			
Service	\checkmark	\checkmark	\checkmark	 ✓ 	\checkmark	\checkmark	\checkmark	

Figure 1: Current to future state charging structures

Future State

Tariff components	Residential	Small business	Controlled	Uncontrolled	Large business (LV)	Large business (HV)	Irrigation	Unmetered supply
Demand (Time of Use)	✓	×			× -	× -	× -	
Demand								×
Time of use (consumption)		×					× -	
Consumption		×	×	×	 Image: A second s	 Image: A second s		
Service	✓	×	 Image: A second s	×	×	×	× -	

Over the forthcoming regulatory period we intend to review the customer impact and volatility/sufficiency of revenue resulting from the new tariffs and charging structures. An important part of our ongoing review of network tariffs and continuing on our tariff reform journey is our customer consultation. We will continue to work with our Pricing Reform Working Group and other stakeholders to test and refine our network tariff strategy. This information will help inform whether our tariff structures should be enhanced or extended to a menu-style offering.

2.4 Advanced Meters

The changes to the regulatory framework for metering from 1 December 2017 are the result of a national review by the Australian Energy Market Commission. They are intended to facilitate the introduction of advanced metering and expand competition in the provision of metering and related services to all customers. To that end, the changes lay the foundation for a market led and consumer driven approach to the deployment of advanced meters by opening up to competition the provision of meters to residential and small business customers.

As advanced meters become commonplace in the market, customers may look to demand based tariffs to maximise the potential benefits of this technology. It should be noted, in particular, that customers will require an advanced meter if opting for a time of use demand based tariff. Advanced meters also have potential benefits for the operation of our network, such as remote disconnection and re-connection services, and we will be undertaking further analysis to identify how best to realise those benefits.

Our longer term plans for implementation of more cost reflective tariffs have regard to these developments. We recognise that advanced meters can support the introduction of more cost reflective pricing, as they will support the provision of better customer and network information, including information about customers' demand and their responsiveness to network pricing signals.

We also undertaking a network tariff trial, underpinned by advanced meters, to support our tariff strategy development and implementation. During the trial we will engage with customers, roll out advanced meters and collect data. Advanced meters will be located near the existing meter, and will act as 'off market' devices.

Data will be captured from 600 residential customers over a 24-month period. Participants will be provided with a web-based interface (or app) displaying their household consumption and demand. The data will allow us to analyse customer responsiveness to price signals, and to assess the impact of the new time of use demand based charges. This information will enable the refinement of our time of use demand based time of use network tariffs, and facilitate the potential introduction of alternative solutions. The trial will also enable us to test and establish the most effective methods to support customers and retailers.

2.5 Billing periods

TasNetworks will offer monthly billing for the new time of use demand based charges from 1 July 2017.

We will continue to investigate the functionality of our current systems, and the opportunities provided by new technology solutions to support more efficient tariffs and extend monthly billing when it is appropriate to do so. We expect to have conducted a more thorough options assessment prior to the commencement of the next regulatory period.

3 Tariff classes, structures and charging parameters for standard control services

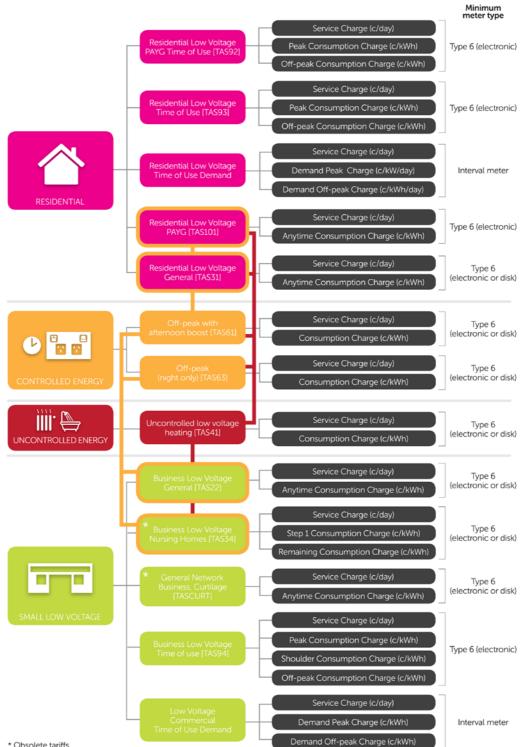
3.1 What are standard control services?

Standard control services are our distribution services that are central to electricity supply and therefore relied on by customers. These services, which comprise the core distribution component of an electricity bill, include construction, maintenance and repair of the network, customer connection and augmenting the network to support growth and stable operation. The annual revenue allowance which applies to standard control services is recovered through general network charges (network tariffs).

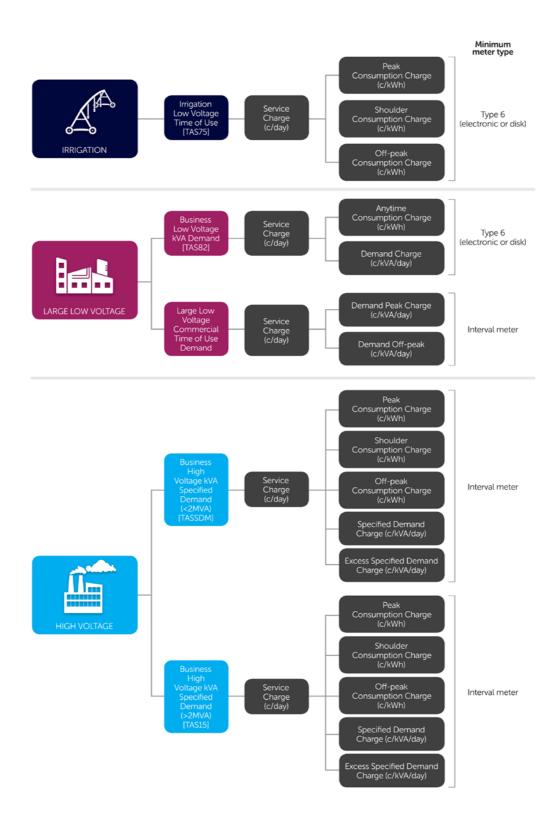
3.2 Network tariffs and charging structures

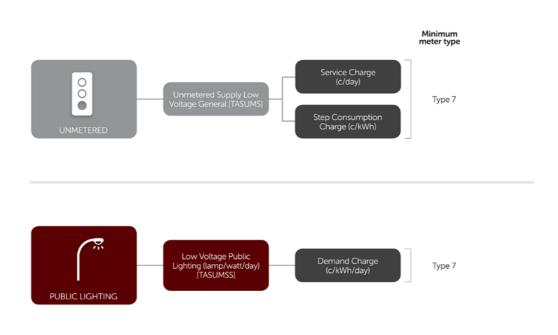
Figure 2 provides a summary of our residential and small business network tariffs classes (for standard control services), as well as the associated network tariffs and tariff components. Further detail on our tariffs and customer eligibility is provided in appendix A.

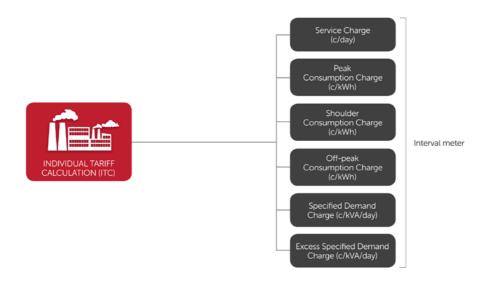




* Obsolete tariffs







Note: Specific conditions apply. Refer to TasNetworks' Network Tariff Application and Price Guide.

3.3 Indicative prices for network tariffs

Indicative prices for network tariffs for 2017-18 and 2018-19 are set out in the Indicative Pricing Schedule which provided in appendix B.

4 Network Tariff Setting Process

4.1 Objectives

Our overall aim is to structure each element of our network tariffs so that we provide our customers with appropriate signals about how their usage impacts our costs and so that our overall revenues recover our forecast efficient costs. In this context:

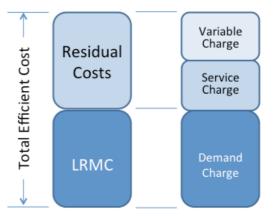
- Our service charges for each network tariff have been designed to recover the costs that arise from the connection and management of each customer. This sends a signal to customers about the value of the network connection, and sets a constant and foreseeable price that assists customers in making a decision to connect and remain connected to the network. The service charge can also be used to recover part of the shared network costs where those costs are not recovered entirely through demand or volume charges.
- Our volume charges are designed to recover the costs of the shared network on a basis which reflects how our customers use the distribution network. However, over time we will be reducing our reliance on consumption based network charges and moving towards demand based network charges. Throughout this transition we will continue to consult with our customers and will also provide further detail as part of the annual Pricing Proposal process.
- Our demand and specified demand based network charges are designed to recover the costs of the shared network on a basis which reflects how our customers use the distribution network. We are in process transitioning so that our demand based network charges are fully reflective of our underpinning long run marginal cost estimates.

4.2 Methodology

Our network tariffs each year are based on target network tariff parameters and forecast customer numbers, consumption and demand related to each network tariff.

We determine the target network tariff parameters by:

- Estimating the total efficient cost (\$) for each network tariff;
- Estimating the long run marginal cost (\$/kVA or \$/kW) for each network tariff, and determining the required long run marginal cost revenues (\$)for each network tariff;



• Calculating the residual costs (\$), this being the difference between the total efficient cost and long run marginal cost revenues for each network tariff; and

 Allocating the residual costs in a manner which seeks to minimise distortions to the long run marginal cost signals. Residual costs are allocated between the service charge (\$) and variable charge/s (\$). Allocation is dependent on the characteristics of the network tariff. In terms of the time of use demand based tariffs the majority of the residual costs are recovered via the service charge and the off-peak demand charges.

Our target tariff parameters are to meet full cost reflectivity and the National Electricity Rules requirement that tariffs be based on long run marginal cost and total efficient costs. Not all our tariffs currently meet these target parameters and are being transitioned to full cost reflectivity over time in order to avoid price shocks for our customers. Each year we aim to transition target tariff parameters for each tariff closer to requirements than for the previous year.

The check and balances that we apply in this process include:

- That overall forecast revenue, when summed across the network tariff classes, is no more than the revenue allowance approved by the Australian Energy Regulator after allowing for any under-or over-recoveries in prior years, adjustments for actual inflation and pass-throughs, such as the electrical safety levy and national energy market level;
- The annual percentage changes in the individual tariffs are within the side constraints approved by the Australian Energy Regulator;
- The revenue for each tariff class lies between the stand alone and avoidable costs for that tariff class;
- The revenue for each tariff is at, or moving towards, recovery of the total efficient cost for that tariff; and
- Where applicable the demand component of the tariff is at, or moving towards, recovery of the long run marginal cost for that tariff.

4.3 Long run marginal cost

It is a requirement that each of our tariffs must be based on the long run marginal cost of providing our service. Long run marginal cost provides a measure of how our operating and capital expenditure will change (in the long-run) in response to incremental changes in demand. The predominant driver of our network costs is meeting maximum demand, setting network tariffs in particular, based on long run marginal cost will provide our customers with a cost reflective signal that encourages efficient electricity usage.

We base our long run marginal cost on the average incremental cost method. This approach utilises information that is currently available for the revenue determination and planning processes (our calculations are underpinned by the same program of work as discussed in our regulatory proposal). The approach is also consistent with the approach being adopted by other distribution networks, as it is generally considered to be well suited to situations where there is a fairly consistent profile of investment over time to service growth in demand.

4.4 Annual Pricing Proposal

We are required to submit an annual Pricing Proposal to the Australian Energy Regulator (for its approval) detailing a range of prescribed information on our tariffs and tariff classes.

Our Pricing Proposals for the 2017-19 regulatory period will include:

- Initial Pricing Proposal 2017-18, which we will submit to the Australian Energy Regulator for approval, 15 business days after the Australian Energy Regulator publishes its distribution determination in April 2017; and
- Annual Pricing Proposal 2018-19, which we will submit to the Australian Energy Regulator for approval, three months before the commencement of the 2018-19 regulatory year.

Our Pricing Proposals will comply with our Tariff Structure Statement. We will aim to set each network tariff to be broadly consistent with the corresponding indicative pricing levels for that tariff as set out in our Indicative Pricing Schedule. Our Pricing Proposals will demonstrate how each proposed tariff is consistent with the Indicative Pricing Schedule, or explain any material differences.

5 Assignment to network tariff classes

The following sections set out the policies and procedures that we adhere to in assigning customers to tariff classes for both standard control and alternative control services.

5.1 Assignment of existing customers to tariff classes

A customer will be taken to be assigned to the tariff class to which we were charging that customer immediately prior to 1 July 2017 if they:

- were our customer prior to 1 July 2017; and
- continue to be our customer as at 1 July 2017.

5.2 Assignment of new customers to a tariff class

If we become aware that a person will become our customer, then we determine the tariff class to which the new customer will be assigned by taking into account one or more of the following factors:

- the nature and extent of the customer's usage;
- the nature of the customer's connection to the network; and
- whether remotely read interval metering or other similar metering technology has been installed at the customer's premises as a result of a regulatory obligation or requirement.

In addition to the above requirements, when assigning a customer to a tariff class we ensure that:

- customers with similar connection and usage profiles are treated equally; and
- customers which have micro embedded generation facilities are not treated more or less favourably than customers with similar load profiles without such facilities.

5.3 Reassignment of existing customers to another tariff class

We may reassign a customer to another tariff class if the existing customer's load characteristics or connection characteristics (or both) change such that it is no longer appropriate for that customer to be assigned to their current tariff class. Should a customer no longer have the same, or materially similar, load or connection characteristics as other customers in the customer's existing tariff class, we may also reassign that customer to another tariff class.

In some cases, a tariff class will be abolished in which case we will notify the customer of this and transition to new tariff classes.

5.4 Options to proposed assignments and reassignments

We will notify customers in writing of the tariff class to which they have been assigned or reassigned, prior to the assignment or reassignment occurring. Any notification will inform the customer that they may request further information from us and that they may object to the proposed assignment or reassignment. To that end, the notice will:

- include a copy of our internal procedures for reviewing objections and the link to where such information is available on our website;
- inform the customer that if an objection is not resolved to their satisfaction then they are entitled to escalate the matter to the Energy Ombudsman Tasmania; and
- advise the customer that if their objection is not resolved to their satisfaction after escalating the matter to the Energy Ombudsman Tasmania, then they are entitled to seek a decision by the Australian Energy Regulator via the dispute resolution process available under Part 10 of the National Electricity Law.

If we receive a request for further information about a tariff assignment or reassignment from a customer, then we will provide such information unless we consider the requested information is confidential.

If a customer makes an objection to us about a proposed tariff assignment or reassignment, we will conduct a reassessment of the customer's circumstances against the criteria used to assign customers to a tariff class (see above), and notify the customer in writing of our decision and the reasons for that decision.

5.5 System of assessment and review of the basis on which a customer is charged

We have a system of assessment and review of the basis on which a customer is charged, if the charging parameters for a particular tariff result in a basis of charge that varies according to the usage or load profile of the customer. We consider that the basis of charge may vary according to usage or load profile where:

- a change in the usage or load profile of a customer indicates that a different tariff is applicable; or
- within a tariff, the charging parameter changes according to the customer's usage.

We review the assignment of customers to our tariff classes as part of the annual process of developing tariffs for Australian Energy Regulator approval. We have set procedures and criteria to determine when it may be appropriate for a customer to be reassigned to a differing tariff or tariff class, or where the basis of the customer's demand charges should be amended. This change is usually the result of changes in the customer's energy consumption, expected maximum demand or connection characteristics. These procedures ensure the customer's underlying tariff is appropriate to the assumed usage or load profile.

In addition to this annual review process, customers (or a customer's retailer) are able to request that we review and change a network tariff in the event of variation to the customer's usage or load profile. Provided we agree to a change in tariff, this change can take effect during a regulatory year. We use the procedures and criteria discussed above to determine if it is appropriate to change the network tariff assigned to a customer.

The charging parameters within our tariffs do not alter as the customer's usage or load profile varies. Should a customer's usage or load profile vary, the customer may either manage their usage in response to the price signals inherent in the tariff, or request to be reassigned to an alternative tariff where applicable.

This provides an effective system for assessing and reviewing the basis on which a customer is charged.

5.6 Assignment process

The assignment processes are discussed in more detail in the Network Tariff Application and Price Guide; Metering Services Application and Price Guide; Public Lighting Application and Price Guide; and Ancillary Services Application and Price Guide.

These guides are updated annually to reflect any changes to our network tariffs and charges approved by the Australian Energy Regulator through the annual Pricing Proposal process, and are available on our website at:

http://www.tasnetworks.com.au/our-network/network-revenue-pricing/distribution-feesand-tariffs

6 Tariff classes, structures and charging parameters for alternative control services

6.1 What are alternative control services?

Alternative control services are where the costs – and the associated benefits from the service – can be directly attributed to a particular customer (for example, where a customer requests a service). For these services, the AER sets caps on the prices that can be charged. TasNetworks' alternative control services include metering services for small customers⁵, ancillary services (quoted services and fee based services), and public lighting (excluding new public lighting technology services).

Further information regarding our Alternative Control Service offerings is provided in our *Alternative Control Service Descriptions Paper*, this is appended as an attachment to our Regulatory Proposal submitted to the AER in January 2016.

6.2 Tariff classes

Our tariff classes for alternative control services reflect the nature of the services provided, with similar services being grouped together. This approach is economically efficient, in that the tariffs reflect the cost of the services and the characteristics of the customer using the service do not impact the cost of the service. The table below defines each of our tariff classes for alternative control services.

Tariff Class	Definition
Metering	Metering services are those services provided with respect to the provision, installation and maintenance of standard meters and associated services provided to retail customers.
	This includes the metering services provided small customers (using type 6 and type 7 meters) in our role as metering provider and meter data provider. Competitive metering services are not alternative control services.
Public lighting	 Public lighting services are those services for: the provision, maintenance and replacement of our public lighting assets; the maintenance of public lighting assets owned by customers (contract lighting); and the provision, maintenance and replacement of our public lighting poles. This does not include any new public lighting technology service, which is classified as a negotiated service.

Table 1: Tariff classes for alternative control services

⁵ Type 6 and 7 meters

Tariff Class	Definition
Ancillary Services - Fee based services	Fee based services are provided for the benefit of a single customer rather than uniformly supplied to all customers. These services are provided at the request of a third party and are typically initiated by way of a service request received from a retailer.
Ancillary Services - Quoted services	Quoted (non-standard) services are those services where the nature and scope of the service is specific to individual customer's needs, and varies from customer to customer. Consequently, the cost of providing the services cannot be estimated without first knowing the customer's specific requirements. It is not possible, therefore, to set a generic total fixed fee in advance for these services. Requests for quoted services may be received from a customer or from a retailer on behalf of a customer.

Further information on the tariffs and charges for each of these tariff classes is provided in the following sections.

6.3 Metering, public lighting and ancillary services

Our approach to setting the tariffs for the 2017-19 regulatory period is consistent across metering, public lighting and ancillary services - fee based services.

6.3.1 Metering services overview

Metering services are provided to all customers with Type 6 metering installations and form a component of the charges we levy. The charges for metering service are split between a capital charge which covers the cost of the meter and a non-capital charge, which covers the cost of reading the meter and collecting the metering data.

The AER has determined that the provision of metering services will be classified in accordance with the type of meter and the functionality that it provides, and has assigned these meters into differing meter classes.

The metering tariffs we are proposing to offer our customers and the indicative charges are set out in the Indicative Pricing Schedule in appendix B.

6.3.2 Public lighting services overview

Only the alternative control service component of public lighting tariffs is discussed in this section. This is because the final tariff for the provision of public lighting services comprises a charge for the provision of a standard control service and an alternative control service. The conveyance of electricity to public lights requires the use of the distribution network, which is a standard control service, while the provision, construction and maintenance of the lighting asset is an alternative control service.

The term "Public lighting services" applies to:

- the provision, maintenance and replacement of our public lighting assets;
- the maintenance of public lighting assets owned by customers (contract lighting); and

• the provision, maintenance and replacement of our public lighting poles.

Public lighting services exclude:

- the alteration and relocation of public lighting assets, which are provided on an ancillary service basis (quoted service);
- the installation of contract lights, which is undertaken as an ancillary service (quoted service) and is, therefore, categorised as an ancillary service (quoted service); and
- the provision of new public lighting technologies, which will be classified as a negotiated distribution service.

The provision of public lighting services will be categorised according to the type of light that is provided and whether that light is owned by us.

Those lights that are owned by us are referred to as public lights, while those lights that are owned by the customer, are referred to as contract lights.

The public lighting services we are proposing to offer our customers and indicative charges are set out in the Indicative Pricing Schedule in appendix B.

6.3.3 Ancillary Services – Fee based services Overview

Fee based services are those services we provide where the service is, in general, provided for the benefit of a single customer rather than uniformly supplied to customers. These services are provided upon request and are typically initiated by way of a service request received from a retailer.

Examples of the services we provide as Fee based services include, but are not limited to:

- energisation;
- de-energisation;
- re-energisation;
- meter alteration;
- meter testing;
- basic connections (from 1 July 2017);
- supply abolishment removal of meters and service connection;
- renewable energy connection; and
- other miscellaneous services.

These services are largely homogenous in nature, meaning that a fixed fee can be set in advance with reasonable certainty. That is, the cost inputs involved in providing these services do not involve significant variations between customers.

The fee based services we are proposing to offer our customers and indicative charges are set out in the Indicative Pricing Schedule in appendix B.

6.3.4 Tariff development process

Metering, public lighting and ancillary services' price caps are calculated for each regulatory year of the regulatory period using the price control mechanism formula approved by the Australian Energy Regulator for our 2017-19 distribution determination. The formula which we are proposing to the Australian Energy Regulator for approval is as follows:

$$\overline{p}_i^t = \overline{p}_i^{t-1} \times (1 + CPI_t) \times (1 - X_i^t)$$

The following table provides details of the price cap calculation that applies in the preparation of the tariffs.

Component	Comment
\overline{p}_i^t	The cap on the price of service i in year t
p_i^t	The price of service i in year t. The initial value is to be decided in the determination
CPI _t	The percentage increase in the consumer price index. To be decided in the determination.
X_i^t	The X-factor for service i in year t.

Table 2: Price cap calculation methodology

This means prices move from year to year by indexing the previous year's prices with reference to CPI.

6.3.5 Indicative prices for alternative control services

Indicative prices for the 2017-19 regulatory period have been calculated by applying the price cap formula (see above) to each year. Indicative prices for metering, public lighting and fee based services' tariffs for 2017-18 and 2018-19 are set out in the Indicative Pricing Schedule in appendix B.

Key changes from prior years include:

- Disaggregation of metering charges between a capital charge and a non-capital charge;
- Inclusion of charges for basic connection services, which were previously classified as standard control services prior to 1 July 2017. Our treatment reflects that these connection services are provided directly to a particular customer. Greater cost-reflectivity is achieved by charging the relevant customer directly; and

Inclusion of a margin in the alternative control - ancillary services tariffs. We utilise both
internal and external resources to deliver alternative control - ancillary services. However,
we are required to provide these services to our customers on a 'fixed fee' basis, while the
regulatory arrangements does not allow unexpected cost increases (incurred from service
providers)to be passed through to customers. In a competitive market, the provision of
fixed fee services attracts a margin to reflect the value customers place on price certainty,
as well as the financial risks borne by the service provider. Outcomes stemming from a
regulatory framework should resemble that of competitive market outcomes. For these
reasons we have included a margin which reflects what expected in a competitive market.

6.3.6 Tariff structures and parameters

The following table details the tariff structures for metering services, public lighting and ancillary services - fee based services.

Service	Recovery
Metering services	Recovered through a fixed daily charge, which reflects the nature of the costs which are fixed for each customer (that is, the customer has little ability to take action to mitigate the cost).
Public lighting	Recovered through a fixed daily charge, reflecting the fixed nature of the costs of providing, replacing and maintaining these assets.
Ancillary services – fee based services	Recovered through a fixed charge, charged on the basis of service provision. This is cost reflective as the costs of these type of jobs can be easily assigned to the customer for which they are being provided, and the cost per job is reasonably homogenous.

Table 3: Tariff structures for alternative control services

6.4 Ancillary Services - Quoted services

Requests for quoted (non-standard) services may be received from a customer or retailer on behalf of a customer. These services cannot be costed in advance with a reasonable degree of certainty.

We provide a range of non-standard services on a quoted basis including, but not limited to:

- removal or relocation of our assets at a customer's request;
- services that are provided at a higher standard than the standard service, due to a customer's request for us to do so;
- provision of public lighting schemes;
- provision of overhead and underground subdivisions for developers;
- relocation of assets at the request of a third party; and

• services that are provided through a non-standard process at a customer's request (for example, where more frequent meter reading is required).

6.4.1 Charging arrangements

The price caps for the provision of quoted services are built up on the basis of standard cost inputs into the particular service, that is labour time and rates, materials, contractors, and other costs, with overheads apportioned to the work. This cost build up reflects the steps required to set prices for the diverse range of activities provided under quoted services, and is reflected in the following formula as determined by the Australian Energy Regulator:

$$P = \sum (Units \times LR_i) + Materials + Contractors + Other Costs + Overheads$$

Where:

i is the type of labour

Units_i is the number of hours for each category of labour

 LR_i is the hourly rate approved by the Australian Energy Regulator for that labour category.

We also calculate price caps for the labour rates within quoted services in accordance with the formula given by the Australian Energy Regulator:

$$LR_i = LR_t \times \left(\frac{CPI_t}{CPI_{2016}}\right)$$

The following table provides details of the labour rate cap calculation that we have utilised in the preparation of its quoted services tariffs.

Table 4: Price cap on labour rate

Component	Comment
LR _t	The price for each quoted service labour rate as given in the Australian Energy Regulator's distribution determination.
CPIt	The index number for the Australian Bureau of Statistics Consumer Price Index (CPI) for All Groups, Weighted Average of Eight Capital Cities for the most recent March quarter.
CPI ₂₀₁₆	The index number for the Australian Bureau of Statistics Consumer Price Index (CPI) for All Groups, Weighted Average of Eight Capital Cities for the March quarter 2016.

This means prices move from year to year by indexing the previous year's component prices with reference to CPI.

6.4.2 Indicative prices for quoted services

The labour rates used in determining quoted services are set out in the Indicative Pricing Schedule in appendix B. The labour rates and the formula application of quoted services are the only element that is regulated, other costs are passed through to customers at cost, and a margin is added to the total cost of the service delivery.

This approach has been taken as we are unable to provide a full range of indicative prices for quoted services, as by their nature these services are dependent on a customer's specific requirements and cost inputs may vary significantly. It is not possible, therefore, to set a generic total fixed fee in advance for these services.

7 Further information

7.1 Supporting Documents

We have published a 'Tariff Structure Statement – Background and Explanation', which provides detailed information on the development of this Tariff Structure Statement and how it complies with the Rules requirements, including the pricing principles.

We have also published a number of information and consultation documents as part of the development of the Tariff Structure Statement. These documents, which are available on our website, include:

- Improving the way we price our services (March 2015)
- Directions and Priorities Consultation Paper (August 2015)
- Demand based network tariffs offering a new choice (September 2015)
- Improving the way we price our network services (October 2015)

7.2 Indicative Pricing Schedule

This Tariff Structure Statement is accompanied by our Indicative Pricing Schedule in appendix B, which sets out indicative price levels for each tariff for 1 July 2017 to 30 June 2019. The indicative price levels have been determined in accordance with this Tariff Structure Statement.

The Indicative Pricing Schedule is revised and submitted with the Pricing Proposal each year.

7.3 Applications and Price Guides

Each Pricing Proposal is supported by a range of guides designed to assist external parties, particularly customers and retailers, to understand the development and application of charges for the services we provide. Specifically our annual Pricing Proposals are supported by the following:

- Network Tariff Application and Price Guide;
- Metering Services Application and Price Guide;
- Public Lighting Application and Price Guide; and
- Ancillary Services Application and Price Guide.

The guides are updated annually to reflect any changes to our tariffs, including changes to our processes for assigning customers to tariffs

7.4 Contact details

If you are uncertain about the network pricing process or the pricing arrangements that may be applicable to your particular circumstances you are encouraged to contact us at:

Leader Regulation PO Box 60, Moonah TAS 7009 E-mail: revenue.reset@tasnetworks.com.au

8 Compliance matrix

This section presents each compliance requirement and how this Tariff Structure Statement addresses each requirement.

Clause			Compliance	
6.8.2(d1)		proposed tariff structure statement must be accompanied a indicative pricing schedule.	We have prepared an Indicative Pricing Schedule which is available in Appendix B of this Tariff Structure Statement (TSS).	
6.8.2(d2)	The proposed tariff structure statement must comply with the pricing principles for direct control services.		This Tariff Structure Statement complies with the Rules requirements. Further explanation is provided in the accompanying Tariff Structure Statement – background and explanation paper.	
6.18.1A		iff structure statement of a Distribution Network Service der must include the following elements:		
	(1)	the tariff classes into which retail customers for direct control services will be divided during the relevant	Section 3 in relation to standard control services	
		regulatory control period;	Section 6 in relation to alternative control services	
	(2)	the policies and procedures the Distribution Network Service Provider will apply for assigning retail customers to tariffs or reassigning retail customers from one tariff to another (including any applicable restrictions);	Section 5	
	(3)	the structures for each proposed tariff;	Figure 2, section 3 in relation to network tariffs	
				Section 6.3.6 in relation to metering, public lighting and fee based ancillary services
			Section 6.4 in relation to quoted services	
	(4)	4) the charging parameters for each proposed tariff; and	Figure 2, section 3 in relation to network tariffs	
			Section 6.3.6 in relation to metering, public lighting and fee based ancillary services	
			Section 6.4 in relation to quoted services	

Clause		Compliance
	(5) a description of the approach that the Distribution Network Service Provider will take in setting each tariff in each pricing proposal of the Distribution Network Service Provider during the relevant regulatory control period in accordance with clause 6.18.5.	Sections 2 and 4
6.18.1A(b)	A tariff structure statement must comply with the pricing principles for direct control services.	The statement complies with the pricing principles. For a detailed explanation, please refer to the Tariff Structure Statement – background and explanation paper.
6.18.1A(e)	A tariff structure statement must be accompanied by an indicative pricing schedule which sets out, for each tariff for each regulatory year of the regulatory control period, the indicative price levels determined in accordance with the tariff structure statement.	We have prepared an Indicative Pricing Schedule which is available in Appendix B of this TSS.

Appendix A: Network tariffs for 2017-18 and 2018-19

The table below provides a description of the existing and new tariffs.

Network Tariff class	Network Tariff	Description
High Voltage	Business High Voltage kVA Specified Demand (TASSDM)	This network tariff is for installations taking supply at high voltage, with an expected any time maximum demand of less than 2 MVA. There are no restrictions on the use of the supply (i.e. the supply may be used for general power, heating, water heating, etc.).
		The customer must supply their own transformers and switchgear for installations connected on this network tariff.
		No later than two months prior to the commencement of each financial year, customers on this network tariff are required to reach an agreement on the level of specified demand which will apply to their electrical installation. Once agreed, this value is used in the calculation of demand charges for the following financial year. This network tariff may not be used in conjunction with any other network tariff offering.
	Business High Voltage kVA Specified Demand >2MVA	This network tariff applies to customers with an anytime maximum demand in excess of 2.0 MVA that are supplied directly from our distribution network with none of our assets beyond the connection point.
	(TAS15)	The customer must supply its own transformers and switchgear for HV installations connected on this network tariff.
		No later than two months prior to the commencement of a financial year, customers on this network tariff are required to reach an agreement about the "Specified Demand" for their electrical installation. Once agreed this value is used in the calculation of network use of system charges for the following financial year.
		A site connected to our distribution network with this network tariff is not eligible for any other network tariff offering.
Irrigation	Irrigation Low Voltage Time of Use (TAS75)	This low voltage network tariff is for primary producers' business installations that are used primarily for the irrigation of crops. This network tariff may not be used in conjunction with any other network tariff offering.

Table A1: Network tariffs for Standard Control Services

Network Tariff class	Network Tariff	Description
Large Low Voltage	Business Low Voltage kVA Demand (TAS82)	This network tariff is for installations taking low voltage multi phase supply. There are no restrictions on the use of the supply (i.e. the supply may be used for general power, heating, water heating, etc.). This network tariff may not be used in conjunction with any other network tariff offering.
	Large Low Voltage Commercial Time of Use Demand (TAS89)	This network tariff is for installations taking low voltage multi phase supply that are not Private Residential Dwellings. There are no restrictions on the use of the supply (i.e. the supply may be used for general power, heating, water heating, etc.). This network tariff may not be used in conjunction with any other network tariff offering.
Small Low Voltage	Low Voltage Commercial Time of Use Demand (TAS88)	This network tariff is for low voltage installations that are not used either wholly or principally as Private Residential Dwellings. There are no restrictions on the use of the supply (i.e. the supply may be used for general power, heating, water heating, etc.). This network tariff may not be used in conjunction with any other network tariff offering.
	Business Low Voltage General (TAS22)	This network tariff is for low voltage installations located on premises that are not used either wholly or principally as Private Residential Dwellings. There are no restrictions on the use of the supply (i.e. the supply may be used for general power, heating, water heating, etc.).
	Business Low Voltage Nursing Homes (TAS34)	This network tariff applies to low voltage installations that are registered as aged care facilities. There are no restrictions on the use of the supply (i.e. the supply may be used for general power, heating, water heating, etc.). This network tariff is obsolete and no longer available to new customers.
	General Network – Business, Curtilage	This network tariff applies to low voltage rural installations which have a single connection point but require more than one meter due to site layout.
	(TASCURT)	The single connection point must supply an installation qualifying for, and being supplied under network tariff, Business Low Voltage General (TAS22).
		This network tariff is obsolete and no longer available to new customers.

Network Tariff class	Network Tariff	Description
	Business Low Voltage Time of Use (TAS94)	This network tariff is available for low voltage installations that are not Private Residential Dwellings. There are no restrictions on the use of the supply (i.e. the supply may
		be used for general power, heating, water heating, etc.).
Residential	Residential Time of Use Demand (TAS87)	This network tariff is for low voltage installations that are premises used wholly or principally as Private Residential Dwellings. There are no restrictions on the use of the supply (i.e. the supply may be used for general power, heating, water heating, etc.). Farm outbuildings may be connected on this network tariff provided that the connection is through the meters of the farm residence. This network tariff may not be used in conjunction with any other network tariff offering.
	Residential Low Voltage General (TAS31)	This network tariff is for low voltage installations located at premises that are used wholly or principally as Private Residential Dwellings. There are no restrictions on the use of the supply (i.e. the supply may be used for general power, heating, water heating, etc.). Farm outbuildings may be connected on this network tariff provided that the connection is through the meters of the farm residence.
	Residential Low Voltage PAYG (TAS101)	This network tariff applies to low voltage installations at premises which are used wholly or principally as Private Residential Dwellings and were supplied in accordance with a prepayment metering product prior to 1 July 2013. There are no restrictions on the use of the supply (i.e. the supply may be used for general power, heating, water heating, etc.). This network tariff may not be used in conjunction with any other
		network tariff. This network tariff is obsolete and no longer available to new customers.
	Residential Low Voltage PAYG Time of Use (TAS92)	This network tariff is for low voltage installations at premises which are used wholly or principally as Private Residential Dwellings and are supplied in accordance with a prepayment metering product. There are no restrictions on the use of the supply (i.e. the supply may be used for general power, heating, water heating, etc.). This network tariff may not be used in conjunction with any other

Network Tariff class	Network Tariff	Description
	Residential Low Voltage Time of Use (TAS93)	This network tariff is available for low voltage installations that are premises used wholly or principally as Private Residential Dwellings. There are no restrictions on the use of the supply (i.e. the supply may be used for general power, heating, water heating, etc.). Farm outbuildings may be connected on this tariff provided that the connection is through the meters for the farm residence.
Uncontrolled Energy	Uncontrolled Low Voltage Heating (TAS41)	This network tariff is for low voltage installations. In installations that are located on premises that are used wholly or principally as Private Residential Dwellings, this network tariff is for water heating and/or residential space heating and/or domestic indoor pool heating only. In installations that are not located at Private Residential Dwellings, this network tariff is for water heating or space heating only.
Controlled Energy	Controlled Low Voltage Energy – Off Peak with afternoon boost (TAS61)	 This network tariff is for low voltage installations. In the case of installations that are Private Residential Dwellings and have a current connection on network tariff Residential Low Voltage General (TAS31), this network tariff may be used for: water heating and/or residential space heating and/or other "wired in" appliances we approve; and/or heating swimming pools, including those that incorporate a spa, but not separate spas from which the water goes to waste after use. In installations that are not Private Residential Dwellings but which have a current connection on either network tariff Business Low Voltage General (TAS22) Business Low Voltage Nursing Homes (TAS34), this network tariff: may be used for water heating and/or space heating and/or other "wired in" appliances we approve.

Network Tariff class	Network Tariff	Description
	Controlled Low	This network tariff is available for low voltage installations only.
	Voltage Energy – Night period only (TAS63)	In the case of installations that are Private Residential Dwellings, this network tariff may be used for:
	(17303)	 water heating and/or residential space heating and/or other circuits we approve; and
		 heating swimming pools, including those that incorporate a spa, but not separate spas from which the water goes to waste after use.
		In installations that are not Private Residential Dwellings, this network tariff:
		• is for water heating and/or space heating and/or other circuits we approve.
Unmetered	Unmetered Supply Low Voltage	This network tariff is intended to be applied to small, low voltage, low demand installations with a relatively constant load profile, such as:
	General (TASUMS)	 illuminated street signs;
		• public telephone kiosks;
		electric fences;
		 two-way radio transmitters;
		 fixed steady wattage installations;
		• traffic lights; or
		level crossings.
		For an installation to be supplied under this network tariff, the electrical devices being supplied must be permanently connected. For the avoidance of doubt, an installation containing a general purpose outlet does not qualify for this network tariff.
Streetlights	Unmetered Supply Low Voltage Public Lighting	This low voltage network tariff is for the provision of public lighting services and is available to councils, road authorities and other customers wishing to install contract lighting.
	(TASUMSSL)	The street lighting tariff rate is based on a "use of system charge" and charged on a per lamp wattage rate. This network tariff charge is an additional charge to charges we publish for the provision of public lighting services.
		This network tariff does not include charges for the installation and/or replacement of lamps. Costs for the installation and/or replacement of lamps are recovered through additional charges which are included in our public lighting services tariffs.

Network Tariff class	Network Tariff	Description
Individual Tariff Calculation	Individual Tariff Calculation (TASCUSX)	Individual Tariff Calculation network tariffs will typically apply to customers with an electrical demand in excess of 2.0 MVA or where a customer's circumstances in a pricing zone identifies the average shared network charge to be meaningless or distorted. Individually calculated customer network charges are determined by modelling the connection point requirements as requested by the customer or their agents. Individual Tariff Calculation prices are based on actual transmission use of system charges for the relevant transmission connection point (preserving the pricing signals within the transmission charges), plus charges associated with the actual shared distribution network utilised for the electricity supply, along with connection charges based on the actual connection assets employed. This provides the greatest cost reflectivity for this type of customer and is feasible since the number of such customers is relatively small. Terms and conditions for these customers are contained within individually negotiated connection agreements.

Appendix B: Indicative Prices for 2017-18 and 2018-19

Table B1: Indicative Prices (2017-18) Network Use of System (NUoS) - Standard Control Services

Tariff	Network				NU	oS rates 2017	7-18					
Class	tariff code	Tariff description	Service Charge c/day	o/k/M/b			Cha	sumption arge Wh	Demand Charge	Demand Charge	Specified (Capacity c/kVA	/) Charge
			c/day	Peak	Shoulder	Off-peak	Step 1			c/kVA/day	Specified	Excess
HV	TASSDM	Business High Voltage kVA Specified Demand	280 685	1.555	0.933	0.233					18.830	188 296
	TAS15 ⁶	Business High Voltage kVA Specified Demand	2,543 800	0.979	0.588	0.147					8.495	42.477
Irrigation	TAS75	Irrigation Low Voltage Time of Use	230 294	10.551	6.330	1.583						
Large LV	TAS82	Business Low Voltage kVA Demand	285.917				2.519			35.694		
	TAS89	Large Low Voltage Commercial Time of Use Demand	427.103							52.975/17.640 ⁷		
Small LV	TAS22	Business Low Voltage General	48.180				10.130					
	TAS34	Business Low Voltage Nursing Homes	48.180				10.130	9.780				
	TASCURT	General Network – Business, Curtilage	40.472				10.130					
	TAS94	Business Low Voltage Time of Use	57 368	10.840	6.504	1.625						
	TAS88	Low Voltage Commercial Time of Use Demand	64.926						59.209/19.717 ⁸			
Residential	TAS31	Residential Low Voltage General	47 864				10.248					
	TAS92	Residential Low Voltage PAYG Time of Use	<u>53 581</u>	17.092		2.564						
	TAS101	Residential Low Voltage PAYG	47 864				7.032					
	TAS93	Residential Low Voltage Time of Use	53 581	17.092		2.564						

⁶ DUoS component only, locational TUoS component also applies

⁷ Peak/off peak

⁸ Peak/off peak

Tariff	Network				NU	oS rates 2017	7-18					
Class	tariff code	Tariff description	Service Charge c/day	ToU C	Consumption C c/kWh	Charge	Cha	sumption arge Wh	Demand Charge c/kW/day	Demand Charge c/kVA/day	Specified (Capacity c/kVA) Charge
			c/ uay	Peak	Shoulder	Off-peak	Step 1	Remaining	C/NW/Udy	C/KV/yudy	Specified	Excess
	TAS87	Residential Time of Use Demand	54 538						47.117/15.690 ⁹			
Uncontrolled	TAS41	Uncontrolled Low Voltage Heating	5 538				6.618					
Controlled	TAS61	Controlled Low Voltage Energy – Off Peak with	11 252				1.694					
Energy	TAS63	Controlled Low Voltage Energy – with Night	11 252				1.508					
Unmetered	TASUMS	UMS Low Voltage General	48.180				12.116					
Street Lighting	TASUMSSL	UMS Low Voltage Public Lighting (lamp/watt/day)							0.112 ¹⁰			
Individual	TASCUS1											
Tariff Calculation												
(ITC)												
	TASCUS4											

⁹ Peak/off peak

¹⁰ lamp watt/day

Tariff	Network				DU	oS rates 2017	7-18					
Class	tariff code	Tariff description	Service Charge	ToU C	onsumption (c/kWh	Charge	Cha	sumption arge Wh	Demand Charge	Demand Charge	Specified (Capacity c/kVA) Charge
			c/day	Peak	Shoulder	Off-peak	Step 1	Remaining	c/kW/day	c/kVA/day	Specified	Excess
HV	TASSDM	Business High Voltage kVA Specified Demand	280 685	0.301	0.181	0.045					14.398	143.974
	TAS15 ¹¹	Business High Voltage kVA Specified Demand	2,543 800	0.979	0.588	0.147					8.495	42.477
Irrigation	TAS75	Irrigation Low Voltage Time of Use	230 294	6.627	3.976	0.994						
Large LV	TAS82	Business Low Voltage kVA Demand	285.917				1.688			18.682		
	TAS89	Large Low Voltage Commercial Time of Use Demand	427.103							27.232/9.068 ¹²		
Small LV	TAS22	Business Low Voltage General	48.180				7.138					
	TAS34	Business Low Voltage Nursing Homes	48.180				7.138	6.788				
	TASCURT	General Network – Business, Curtilage	40.472				7.138					
	TAS94	Business Low Voltage Time of Use	57 368	7.297	4.378	1.094						
	TAS88	Low Voltage Commercial Time of Use Demand	64.926						39 655/13 205			
Residential	TAS31	Residential Low Voltage General	47 864				7.256					
	TAS92	Residential Low Voltage PAYG Time of Use	53 581	11.485		1.723						
	TAS101	Residential Low Voltage PAYG	47 864				5.015					
	TAS93	Residential Low Voltage Time of Use	53 581	11.485		1.723						
	TAS87	Residential Time of Use Demand	54 538						30.735/10 235			
Uncontrolled	TAS41	Uncontrolled Low Voltage Heating	5 538				3.626					

Table B2: Indicative Prices (2017-18) Distribution Use of System (DUoS) - Standard Control Services

¹³ Peak/off peak

¹¹ DUoS component only, locational TUoS component also applies

¹² Peak/off peak

Tariff	Network				DU	oS rates 2017	7-18					
Class	tariff code	Tariff description	Service Charge c/day	ToU C	Consumption (c/kWh	Charge	Cha	sumption arge Wh	Demand Charge c/kW/day	Demand Charge c/kVA/day	Specified Demand (Capacity) Charge c/kVA/day	
			c/ day	Peak	Shoulder	Off-peak	Step 1	Remaining	C/KVV/08y	с/кудуау	Specified	Excess
Controlled	TAS61	Controlled Low Voltage Energy – Off Peak with	11 252				0.987					
Energy	TAS63	Controlled Low Voltage Energy – with Night	11 252				0.901					
Unmetered	TASUMS	UMS Low Voltage General	48.180				8.051					
Street Lighting	TASUMSSL	UMS Low Voltage Public Lighting (lamp/watt/day)							0.080 ¹⁵			
Individual	TASCUS1											
Tariff Calculation												
(ITC)												
	TASCUS4											

¹⁴ Peak/off peak

¹⁵ lamp watt/day

Tariff	Network				TU	oS rates 2017	/-18					
Class	tariff code	Tariff description	Service Charge	ToU C	onsumption (c/kWh	Charge	Cha	sumption arge Wh	Demand Charge	Demand Charge c/kVA/day	Specified Demand (Capacity) Charge c/kVA/day	
			c/day	Peak	Shoulder	Off-peak	Step 1	Remaining	c/kW/day		Specified	Excess
HV	TASSDM	Business High Voltage kVA Specified Demand		1.254	0.752	0.188					4.432	44 322
	TAS15 ¹⁶	Business High Voltage kVA Specified Demand										
Irrigation	TAS75	Irrigation Low Voltage Time of Use		3.924	2.354	0.589						
Large LV	TAS82	Business Low Voltage kVA Demand					0.831			17.012		
	TAS89	Large Low Voltage Commercial Time of Use Demand								25.743/8.572 ¹⁷		
Small LV	TAS22	Business Low Voltage General					2.992					
	TAS34	Business Low Voltage Nursing Homes					2.992	2.992				
	TASCURT	General Network – Business, Curtilage					2.992					
	TAS94	Business Low Voltage Time of Use		3.543	2.126	0.531						
	TAS88	Low Voltage Commercial Time of Use Demand							19 554/6.512 ¹⁸			
Residential	TAS31	Residential Low Voltage General					2.992					
	TAS92	Residential Low Voltage PAYG Time of Use		5.607		0.841						
	TAS101	Residential Low Voltage PAYG					2.017					
	TAS93	Residential Low Voltage Time of Use		5.607		0.841						
	TAS87	Residential Time of Use Demand							16 382/5.455 ¹⁹			

Table B3: Indicative Prices (2017-18) Transmission Use of System (TUoS) – Standard Control Services

¹⁸ Peak/off peak

¹⁶ DUoS component only, locational TUoS component also applies

¹⁷ Peak/off peak

Tariff	Network				TU	oS rates 2017	7-18					
Class	tariff code	Tariff description	Service Charge	ToU Consumption Charge c/kWh			Cha	sumption arge Wh	Demand Charge c/kW/day	Demand Charge c/kVA/day	Specified Demand (Capacity) Charge c/kVA/day	
			c/day	Peak	Shoulder	Off-peak	Step 1	Remaining	C/KVV/08y	C/KVAyday	Specified	Excess
Uncontrolled	TAS41	Uncontrolled Low Voltage Heating					2.992					
Controlled	TAS61	Controlled Low Voltage Energy – Off Peak with					0.707					
Energy	TAS63	Controlled Low Voltage Energy – with Night					0.607					
Unmetered	TASUMS	UMS Low Voltage General					4.065					
Street Lighting	TASUMSSL	UMS Low Voltage Public Lighting (lamp/watt/day)							0.032 ²⁰			
Individual	TASCUS1											
Tariff Calculation												
(ITC)												
	TASCUS4											

¹⁹ Peak/off peak

²⁰ lamp watt/day

Tariff	Networ				NU	oS rates 2018	-19					
Class	k tariff code	Tariff description	Service Charge	ToU	Consumption (c/kWh	Charge	c	onsumption harge /kWh	Demand Charge	Demand Charge	Specified (Capacity c/kVA) Charge
			c/day	Peak	Shoulder	Off-peak	Step 1	Remaining	c/kW/day	c/kVA/day	Specified	Excess
HV	TASSDM	Business High Voltage kVA Specified Demand	320.754	1 615	0.969	0.243					19.368	193 676
	TAS15 ²¹	Business High Voltage kVA Specified Demand	2,633.000	0.953	0.572	0.143					9.054	45 275
Irrigation	TAS75	Irrigation Low Voltage Time of Use	237.692	10.756	6.453	1.613						
Large LV	TAS82	Business Low Voltage kVA Demand	317.685				2.595			37 021		
	TAS89	Large Low Voltage Commercial Time of Use Demand	447.529							53.827/17.925 22		
Small LV	TAS22	Business Low Voltage General	49.381				10.426					
	TAS34	Business Low Voltage Nursing Homes	49.381				10.426	10.010				
	TASCURT	General Network – Business, Curtilage	43.359				10.426					
	TAS94	Business Low Voltage Time of Use	64.953	11.161	6.698	1.674						
	TAS88	Low Voltage Commercial Time of Use Demand	71.839						61 865/20 601 ²³			
Residential	TAS31	Residential Low Voltage General	49.663				10.520					
	TAS92	Residential Low Voltage PAYG Time of Use	54.294	17 505		2.625						
	TAS101	Residential Low Voltage PAYG	50.069				7.150					
	TAS93	Residential Low Voltage Time of Use	54.294	17 505		2.625						
	TAS87	Residential Time of Use Demand	58.323						49.162/16 371 ²⁴			

Table B4: Indicative Prices (2018-19) Network Use of System (NUoS) - Standard Control Services

²³ Peak/off peak

²¹ DUoS component only, locational TUoS component also applies

²² Peak/off peak

Tariff	Networ				NU	oS rates 2018	8-19					
Class	k tariff code	Tariff description	Service Charge	ToU	Consumption (c/kWh	Charge	c c	onsumption harge :/kWh	Demand Charge	Demand Charge c/kVA/day	Specified Demand (Capacity) Charge c/kVA/day	
			c/day	Peak	Shoulder	Off-peak	Step 1	Remaining	c/kW/day		Specified	Excess
Uncontrolle d Energy	TAS41	Uncontrolled Low Voltage Heating	6.137				6.781					
Controlled	TAS61	Controlled Low Voltage Energy – Off Peak with	11.693				1.738					
Energy	TAS63	Controlled Low Voltage Energy – with Night	11.693				1.629					
Unmetered	TASUMS	UMS Low Voltage General	49.381				12.531					
Street Lighting	TASUMSSL	UMS Low Voltage Public Lighting (lamp/watt/day)								0.116		
Individual Tariff Calculation (ITC)	TASCUS1											
	TASCUS4											

²⁴ Peak/off peak

Tariff	Networ				DU	oS rates 201	18-19					
Class	k tariff code	Tariff description	Service Charge c/day	ToU C	onsumption C c/kWh	harge	Ch	nsumption large kWh	Demand Charge	Demand Charge c/kVA/day	Specified (Capacity c/kVA) Charge
			c/uay	Peak	Shoulder	Off-peak	Step 1	Remaining	c/kW/day		Specified	Excess
HV	TASSDM	Business High Voltage kVA Specified Demand	320.754	0 304	0.182	0 046					14.761	147 611
	TAS15 ²⁵	Business High Voltage kVA Specified Demand	2,633.000	0.953	0.572	0.143					9.054	45 275
Irrigation	TAS75	Irrigation Low Voltage Time of Use	237.692	6 642	3.985	0.996						
Large LV	TAS82	Business Low Voltage kVA Demand	317.685				1.732			19.163		
	TAS89	Large Low Voltage Commercial Time of Use Demand	447.529							27.876/9.283 26		
Small LV	TAS22	Business Low Voltage General	49.381				7.416					
	TAS34	Business Low Voltage Nursing Homes	49.381				7.416	7.000				
	TASCURT	General Network – Business, Curtilage	43.359				7.416					
	TAS94	Business Low Voltage Time of Use	64.953	7 580	4.549	1.137						
	TAS88	Low Voltage Commercial Time of Use Demand	71.839						41 610/13 856 ²⁷			
Residential	TAS31	Residential Low Voltage General	49.663				7.510					
	TAS92	Residential Low Voltage PAYG Time of Use	54.294	11.932		1.789						
	TAS101	Residential Low Voltage PAYG	50.069				5.100					
	TAS93	Residential Low Voltage Time of Use	54.294	11.932		1.789						
	TAS87	Residential Time of Use Demand	58.323						32 349/10.772 ²⁸			

Table B5: Indicative Prices (2018-19) Distribution Use of System (DUoS) - Standard Control Services

²⁷ Peak/off peak

 $^{^{\}rm 25}$ DUoS component only, locational TUoS component also applies

²⁶ Peak/off peak

Tariff	Networ k tariff code				DU	loS rates 203	18-19					
Class			Service Charge	ToU Consumption Charge c/kWh		Step Consumption Charge c/kWh		e Demand h Charge		Specified Demand (Capacity) Charge c/kVA/day		
			c/day	Peak	Shoulder	Off-peak	Step 1	Remaining	c/kW/day	c/kVA/day	Specified	Excess
Uncontrolle d Energy	TAS41	Uncontrolled Low Voltage Heating	6.137				3.771					
Controlled	TAS61	Controlled Low Voltage Energy – Off Peak with	11.693				1.009					
Energy	TAS63	Controlled Low Voltage Energy – with Night	11.693				1.011					
Unmetered	TASUMS	UMS Low Voltage General	49.381				8.334					
Street Lighting	TASUMSSL	UMS Low Voltage Public Lighting (lamp/watt/day)								0.083		
Individual Tariff Calculation	TASCUS1											
(ITC)												
	TASCUS4											

²⁸ Peak/off peak

Tariff Class	Networ k tariff code		TUoS rates 2018-19										
		Tariff description Ch	Service Charge	ToU (ToU Consumption Charge c/kWh		Step Consumption Charge c/kWh		arge Demand kWh Charge		Specified Demand (Capacity) Charge c/kVA/day		
			c/day	Peak	Shoulder	Off-peak	Step 1	Remaining	c/kW/day	c/kVA/day	Specified	Excess	
HV	TASSDM	Business High Voltage kVA Specified Demand		1 311	0.787	0.197					4.607	46.065	
	TAS15 ²⁹	Business High Voltage kVA Specified Demand											
Irrigation	TAS75	Irrigation Low Voltage Time of Use		4.114	2.468	0.617							
Large LV	TAS82	Business Low Voltage kVA Demand					0.863			17 858			
	TAS89	Large Low Voltage Commercial Time of Use Demand								25.951/8 642 ³⁰			
Small LV	TAS22	Business Low Voltage General					3.010						
	TAS34	Business Low Voltage Nursing Homes					3.010	3.010					
	TASCURT	General Network – Business, Curtilage					3.010						
	TAS94	Business Low Voltage Time of Use		3 581	2.149	0.537							
	TAS88	Low Voltage Commercial Time of Use Demand							20.255/6.745 ³¹				
Residential	TAS31	Residential Low Voltage General					3.010						
	TAS92	Residential Low Voltage PAYG Time of Use		5 573		0.836							
	TAS101	Residential Low Voltage PAYG					2.050						
	TAS93	Residential Low Voltage Time of Use		5 573		0.836							
	TAS87	Residential Time of Use Demand							16.813/5.599 ³²				

Table B6: Indicative Prices (2018-19) Transmission Use of System (DUoS) – Standard Control Services

³¹ Peak/off peak

²⁹ DUoS component only, locational TUoS component also applies

³⁰ Peak/off peak

Tariff	Networ k tariff code				TU	oS rates 2018	-19					
Class			Service Charge	ToU Consumption Charge c/kWh		Step Consumption Charge c/kWh		Demand Charge	Demand Charge	Specified Demand (Capacity) Charge c/kVA/day		
			c/day	Peak	Shoulder	Off-peak	Step 1	Remaining	c/kW/day	c/kVA/day	Specified	Excess
Uncontrolle d Energy	TAS41	Uncontrolled Low Voltage Heating					3.010					
Controlled	TAS61	Controlled Low Voltage Energy – Off Peak with					0.729					
Energy	TAS63	Controlled Low Voltage Energy – with Night					0.618					
Unmetered	TASUMS	UMS Low Voltage General					4.197					
Street Lighting	TASUMSSL	UMS Low Voltage Public Lighting (lamp/watt/day)								0 033		
Individual Tariff Calculation (ITC)	TASCUS1											
	TASCUS4											

³² Peak/off peak

Table B7: Indicative Prices – Metering Services

	Cap	bital	Non-Capital		
Tariff (\$ Nominal)	Indicative 2017-18 Price (c/day)	Indicative 2018-19 Price (c/day)	Indicative 2017-18 Price (c/day)	Indicative 2018-19 Price (c/day)	
Domestic LV – single phase	2.912	2.983	2.874	2.944	
Domestic LV – multi phase	6.042	6.190	5.964	6.110	
Domestic LV – CT meters	7.477	7.660	7.380	7.561	
Business LV – single phase	3.012	3.085	2.972	3.045	
Business LV – multi phase	6.025	6.172	5.946	6.092	
Business LV – CT meters	7.790	7.981	7.689	7.878	
Other meters	5.317	5.447	5.248	5.376	

Table B8: Indicative Prices – Public lighting services

Lighting type (\$ nominal)	Indicative 2017-18 Price (c/day)	Indicative 2018-19 Price (c/day)
18W LED	32.766	33.780
18W LED Decorative	45.524	46.934
25W LED	32.766	33.780
25W LED Decorative	45.524	46.934
42W Compact Fluorescent	34.647	35.720
42W Compact Fluorescent - Bottom Pole Entry	34.647	35.720
70W High Pressure Sodium	34.497	35.566
100W High Pressure Sodium	43.647	44.999
150W High Pressure Sodium	45.800	47.219
250W High Pressure Sodium	46.844	48.295
400W High Pressure Sodium	47.678	49.155
250W High Pressure Sodium - Flood Light	50.656	52.226
400W High Pressure Sodium - Flood Light	50.193	51.748
100W Metal Halide	43.791	45.148
150W Metal Halide	46.347	47.783
250W Metal Halide	47.126	48.586
400W Metal Halide	52.207	53.825
250W Metal Halide - Flood Light	52.281	53.901

Lighting type (\$ nominal)	Indicative 2017-18 Price (c/day)	Indicative 2018-19 Price (c/day)
400W Metal Halide - Flood Light	52.207	53.825
T5 Fluorescent 2 x 24W (obsolete)	36.488	37.618
1 x 20W Fluorescent (obsolete)	36.203	37.324
50W Mercury Vapour (obsolete)	32.295	33.296
80W Mercury Vapour (obsolete)	32.293	33.294
80W Mercury Vapour Decorative (obsolete)	48.112	49.602
125W Mercury Vapour (obsolete)	43.437	44.782
250W Mercury Vapour (obsolete)	43.879	45.239
400W Mercury Vapour (obsolete)	45.884	47.306

Table B9: Indicative Prices – Contract lighting services

Lighting type (\$ nominal)	Indicative 2017-18 Price (c/day)	Indicative 2018-19 Price (c/day)
18W LED	12.013	12.385
18W LED Decorative	12.013	12.385
25W LED	12.013	12.385
25W LED Decorative	12.013	12.385
42W Compact Fluorescent	17.759	18.309
42W Compact Fluorescent - Bottom Pole Entry	17.759	18.309
50W Mercury Vapour (obsolete)	17.628	18.174
80W Mercury Vapour (obsolete)	17.596	18.141
80W Mercury Vapour Decorative (obsolete)	17.596	18.141
125W Mercury Vapour (obsolete)	21.108	21.762

Lighting type (\$ nominal)	Indicative 2017-18 Price (c/day)	Indicative 2018-19 Price (c/day)
250W Mercury Vapour (obsolete)	21.108	21.762
400W Mercury Vapour (obsolete)	21.258	21.917
70W High Pressure Sodium	17.966	18.522
100W High Pressure Sodium	22.001	22.683
150W High Pressure Sodium	21.997	22.678
250W High Pressure Sodium	22.128	22.814
400W High Pressure Sodium	22.172	22.859
250W High Pressure Sodium - Flood Light	22.128	22.814
400W High Pressure Sodium - Flood Light	22.172	22.859
100W Metal Halide	21.998	22.679
150W Metal Halide	22.143	22.828
250W Metal Halide	22.143	22.828
400W Metal Halide	22.832	23.539
250W Metal Halide - Flood Light	22.143	22.828
400W Metal Halide - Flood Light	22.832	23.539
1 x 20W Fluorescent (obsolete)	17.727	18.276
2 x 20W Fluorescent (obsolete)	18.011	18.569
1 x 40W Fluorescent (obsolete)	17.745	18.295
2 x 40W Fluorescent (obsolete)	18.048	18.607
3 x 40W Fluorescent (obsolete)	21.859	22.536
4 x 40W Fluorescent (obsolete)	22.161	22.847
4 x 20W Fluorescent (obsolete)	18.579	19.155
60W Incandescent (obsolete)	17.564	18.108
100W Incandescent (obsolete)	21.072	21.725

Table B10: Indicative Prices – Fee-based services

Service (\$ nominal, GST exclusive)	Indicative 2017-18 Price (\$)	Indicative 2018-19 Price (\$)
Energisation, de-energisation, re-energisation and specia	l reads	
Site visit – no appointment	59.04	60.52
Site visit – non-scheduled visit	130.80	134.07
Site visit – same day premium service	221.20	226.73
Site visit – after hours	348.52	357.23
Site visit – credit action or site issues	137.63	141.07
Site visit – credit action pillar box/pole top	247.08	253.26
Site visit – current transformer (CT) metering	128.22	131.43
Site visit – pillar box/pole top	247.08	253.26
Site visit – pillar box/pole top wasted visit	147.22	150.90
Transfer of retailer	-	-
Meter alteration		
Tariff alteration – single phase	139.03	142.51
Tariff alteration – multi phase	182.26	186.82
Adjust time clock	80.66	82.68
Install pulse outputs	128.22	131.43
Remove meter – single phase	139.03	142.51
Remove meter – multi phase	182.26	186.82
Meter alteration – after hours visit	427.44	438.13
Meter alteration – wasted visit	84.98	87.10
Meter test		
Meter test – single phase	214.69	220.06
Meter test – multi phase	409.24	419.47
Meter test – current transformer (CT)	452.48	463.79
Meter test – after hours	822.04	842.59
Meter test – wasted visit	84.98	87.10
Supply abolishment		
Remove service and meters	259.15	265.63
Supply abolishment – after hours	652.99	669.31
Supply abolishment – wasted visit	168.37	172.58

Service (\$ nominal, GST exclusive)	Indicative 2017-18 Price (\$)	Indicative 2018-19 Price (\$)
Truck tee-up		
Tee-up/Appointment	145.35	148.98
Tee-up/Appointment – after hours	652.99	669.31
Tee-up/Appointment – no truck – after hours	348.52	357.23
Tee-up/Appointment – wasted visit	95.26	97.64
Miscellaneous services	•	
Open turret	136.85	140.27
Data download	274.59	281.45
Alteration to unmetered supply	211.98	217.28
Meter relocation	164.67	168.79
Miscellaneous service	124.33	127.44
Miscellaneous service – after hours	556.73	570.65
Miscellaneous service – wasted visit	99.28	101.76
Connection establishment charges		
Overhead service, single span - single phase	549.01	562.74
Overhead service, single span - multi phase	775.13	794.51
Underground service in turret/cabinet - single phase	179.24	183.72
Underground service in turret/cabinet - multi phase	224.94	230.56
Underground service with pole mounted fuse - single phase	419.89	430.39
Underground service with pole mounted fuse - multi phase	527.61	540.80
Basic connection – after hours	1,006.66	1,031.83
Connection establishment - wasted visit	153.22	157.05
Renewable energy connection		
Modify existing connection for micro embedded generation – single phase	169.96	174.21
Modify existing connection for micro embedded generation – multi phase	213.20	218.53
Renewable energy connection – after hours	806.02	826.17
Renewable energy - wasted visit	115.92	118.82
Temporary disconnection charges		
Disconnect/reconnect overhead service for facia repairs - single phase	320.65	328.67

Service (\$ nominal, GST exclusive)	Indicative 2017-18 Price (\$)	Indicative 2018-19 Price (\$)
Disconnect/reconnect overhead service for facia repairs - multi phase	411.42	421.71
Temporary disconnect/reconnect – after hours	849.19	870.42
Temporary disconnect/reconnect – wasted visit	184.48	189.09
Basic connection alteration		
Connection alteration – overhead single phase	320.65	328.67
Connection alteration – overhead multi phase	411.42	421.71
Connection of new consumer mains to an existing installation – underground single phase to turret or pole	223.61	229.20
Connection of new consumer mains to an existing installation – underground multi phase to turret or pole	273.70	280.54
Augment single phase overhead service to multi phase supply	843.21	864.29
Augment multi phase overhead service to single phase supply	617.10	632.53
Augment single phase overhead service to underground supply (turret)	389.96	399.71
Augment multi phase overhead service to underground supply (turret)	480.73	492.75
Augment single phase overhead service to underground supply (pole)	487.97	500.17
Augment multi phase overhead service to underground supply (pole)	595.69	610.58
Basic connection alteration – after hours	1,078.08	1,105.03
Basic connection wasted visit	173.13	177.46

Table B11: Proposed Tariffs for Quoted Services

Labour (\$ nominal)	2017-18 Price (\$/hour)	2018-19 Price (\$/hour)
Cable jointer	60.56	62.08
Customer connections – commercial metering	63.09	64.67
Customer connections – service crew	62.13	63.86
Designer	70.05	71.81
Distribution electrical technician	62.25	63.80
Distribution linesman	56.35	57.75
Distribution linesman – live line	63.38	64.96
Distribution operator	69.65	71.39
Electrical inspector	58.32	59.78
Field service co-ordinator	72.38	74.19
Labourer – overhead	48.42	49.63
Meter reader	48.23	49.44
Pole tester	50.22	51.48
Project manager	86.08	88.24