

Distribution Connection Pricing Policy

Regulatory Control Period
1 July 2017 – 30 June 2019

Overview





Table of contents

Improving the outcomes for customers connecting to the distribution network	2	4. Calculating connection charges	11
1. Who we are and what we do	4	4.1. The steps in calculating customer charges	11
1.1. Our role	4	4.2. Application to customer groups	12
1.2. What it takes to deliver your power	4	4.2.1. Basic connections	13
1.3. Your connection to our network	5	4.2.2. Major connections	13
1.4. Purpose of this document	6	4.2.3. Extension services	13
2. Connection Services	7	4.2.4. Transformation	13
2.1. Types of connection services	8	4.2.5. Augmentation services	14
3. Charging for connection services	10	4.2.6. Real estate developers	14
		4.2.7. Irrigation customers	15
		4.2.8. Embedded Generators	15
		4.2.9. Standard calculations and flexible terms	16
		4.2.10. Refunding connection charges	16
		5. Consultation with customers	17
		Talk to us today	18
		Glossary	19

Improving the outcomes for customers connecting to the distribution network



TasNetworks was created on 1 July 2014 by integrating Tasmania's electricity distribution and transmission networks into a single network business. We are a State Owned Corporation and our vision is to be trusted by our customers to deliver today and create a better tomorrow.

We are committed to improving the outcomes for customers requesting a new, or modified, connection to our electricity distribution network.

The costs associated with a new electricity connection can be a significant part of building a new home or establishing a new business. As part of our journey to a better tomorrow, we are changing the way we charge for connecting to our distribution network. The charging framework that applies to the very large industries and

generators requiring connection to our transmission network is contained in our transmission connection policy.

A connection policy is a complex document that is designed to comply with a number of regulatory obligations. We have, therefore, created this Distribution Connection Pricing Policy Overview to provide a simpler description of the detail in our Distribution Connection Pricing Policy.

This document provides an overview of our Distribution Connection Pricing Policy and outlines key changes we are making to the connection charging framework.

We are committed to improving outcomes for customers requesting a new or modified connection to our network and we have listened to our customers to ensure that the services we provide are tailored to meet their needs.

Our goal is to enhance transparency, simplify connection processes and pricing, and better support customers through the connection process.

We have implemented a Distribution Connection Pricing Policy that delivers improvements in connection services, including:

- a framework that allows customer choice regarding the provision of design and construction services for new connections; and
- connection pricing that provides cost-reflective signals and greater predictability through the use of fixed rates and upfront estimation of costs.

We will calculate charges for connecting, or modifying a connection, to our distribution network in a way that reflects the costs and benefits of that connection, and that is in line with a range of national regulatory requirements.



Under our policy, distribution connection charges for the majority of customers will generally remain the same or reduce.

Larger customers and developers will generally benefit through lower upfront connection charges that take account of the future network tariff revenue that connection provides. Developers are also set to benefit from access to reimbursements when other developers 'piggy-back' off their initial development.

In line with guidance from the State Government, we continue to support concessional arrangements for irrigation customer connections to underpin continued economic development of this sector. In general there will be no material change to connection charges for irrigators.

This is good news for our customers.

The development of a connection pricing policy is challenging and we need to ensure that all customers are treated fairly and that key concepts are well understood. We have consulted widely with customers, industry groups and developers on our proposed policy. These customers and stakeholders have generally been supportive of our proposed changes.

Our proposed Distribution Connection Pricing Policy is the next step in the connection reform conversation with our customers and will apply for the regulatory period from 1 July 2017 to 30 June 2019.

We submit our proposed Distribution Connection Pricing Policy to the Australian Energy Regulator as a component of our distribution regulatory proposal. Our connection charging framework encompasses a suite of documents, including model contracts to support the connection process and our *Indicative Pricing Schedule* that includes the indicative connection charges that will apply from 1 July 2017 to 30 June 2019.

The regulator will check our proposed policy, and related charging framework, for regulatory compliance and seek stakeholder feedback before determining if it will approve our proposed policy for application. We encourage interested parties to provide their views on our proposed policy to the regulator and to us as part of this regulatory process.

We continue to seek feedback on how we can improve our customer communications and we welcome your feedback on this document.



Lance Balcombe
Chief Executive Officer

1. Who we are and what we do

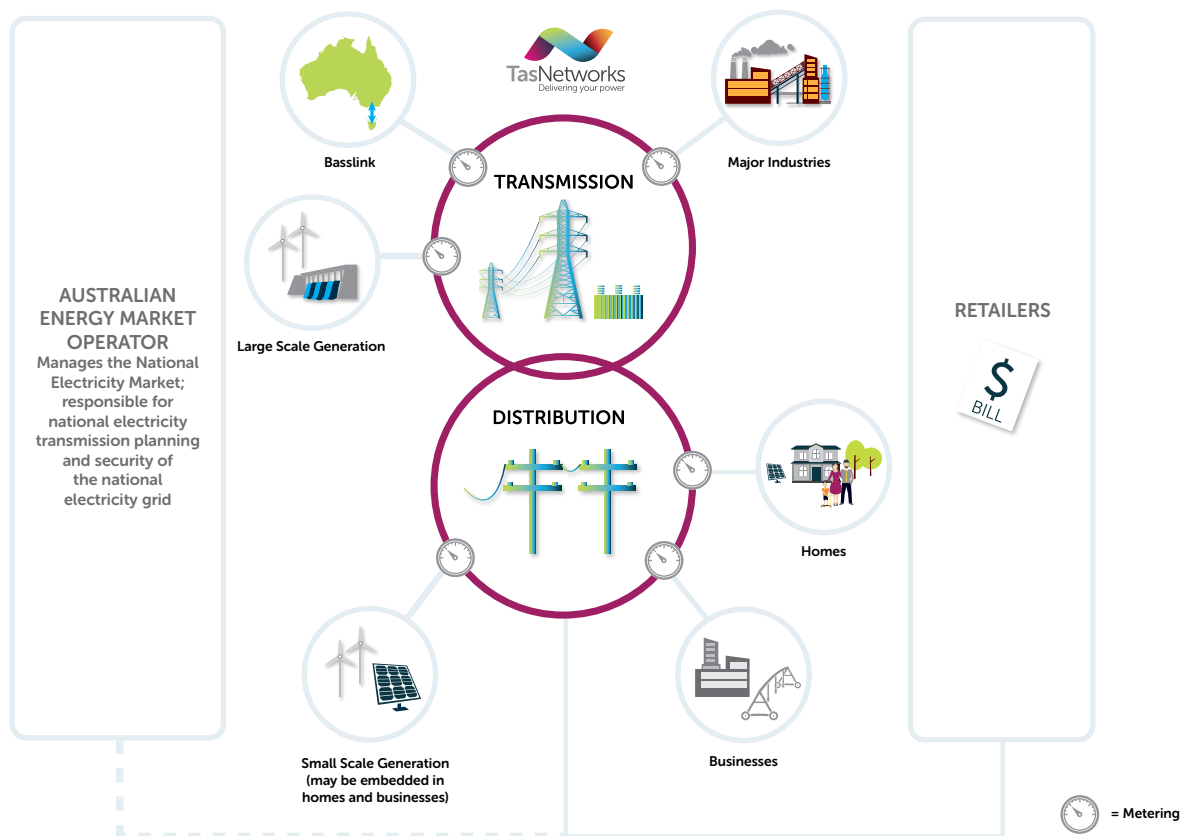
1.1. Our role

Tasmanian Networks Pty Ltd (TasNetworks) is a State Owned Corporation that commenced operations on 1 July 2014 with the integration of Tasmania's electricity distribution and transmission networks into a single network business.

We own, operate and maintain the network that delivers electricity to more than 280,000 households, businesses and organisations on mainland Tasmania. Our role in the electricity supply chain and our customer service relationships are shown below.

Figure 1: TasNetworks' customer service relationships

TasNetworks provides a variety of electricity network services for the transmission and distribution of electricity in Tasmania.



1.2. What it takes to deliver your power

TasNetworks is responsible for the design, construction, maintenance and operation of the network that takes power from the point of generation and delivers it to Tasmanian homes and businesses.

Our distribution network is a largely rural overhead network, with the use of underground cables generally restricted to central business districts, newer subdivisions and commercial centres in urban and suburban areas.

The figure below provides an overview of what it takes to deliver power to our customers across our transmission and distribution network.

Figure 2: What it takes to deliver your power

The network is made up of:

Transmission

3,500

circuit kilometres of transmission lines

8,500

transmission line support structures

11,000

hectares of easements

Distribution

15,000

kilometres of high voltage powerlines

5,000

kilometres of low voltage powerlines

2,000

kilometres of high and low voltage underground cables

222,000

poles



1.3. Your connection to our network

While customers can choose a different retailer, it is not possible to choose a different electricity network company for the provision of their electricity supply. We are the only electricity network company on mainland Tasmania.

Like any business, we welcome and encourage new customers. New customers include anyone that wants to connect to our electricity network.

The nature of electricity networks, with investment in long-lived assets, means that the costs of providing electricity to an additional customer tends to be lower than the average cost of serving the existing customer base. This is why electricity networks are sometimes described as benefiting from 'economies of scale'. By encouraging new customers to connect to our network, our assets are used more efficiently and, as a result, our costs per customer tend to be less.

When a new customer first connects to our network they should pay for that connection. Likewise, when an existing customer modifies their connection arrangements to our network, they should also pay for those changes. These charges ensure that connection costs are not subsidised by an increase in the charges to our existing customers.

1.4. Purpose of this document

This document provides an overview of our proposed Distribution Connection Pricing Policy for the two years from 1 July 2017 to 30 June 2019. Our Distribution Connection Pricing Policy describes how we will charge customers who are making new connections, or who are altering existing connections, to our distribution network.

This document principally relates to our role as the operator of the electricity distribution network on mainland Tasmania. It applies only to connections to our distribution network and is separate from our policy covering connections to our transmission network.

A connection policy is a complex document that is designed to comply with a number of regulatory obligations. We have, therefore, created this Distribution Connection Pricing Policy Overview to provide a simpler description of the detail in our Distribution Connection Pricing Policy.

This overview outlines the concepts associated with connection charges (including charges sometimes called 'capital contributions'). In addition, we explain why we made some changes to our present connection policy.

Specifically, the objectives of this Distribution Connection Pricing Policy Overview are to:

- outline how we propose to charge customers for connecting, or modifying a connection, to our network;
- facilitate understanding of our connection pricing, by providing an overview of the amended policy and its associated concepts;
- set out our proposed charging structures and charging parameters; and
- explain how we arrived at our Distribution Connection Pricing Policy.

This Distribution Connection Pricing Policy Overview should be read in conjunction with our *Indicative Pricing Schedule*, which is provided as part of our Regulatory Proposal. The *Indicative Pricing Schedule* provides customers and retailers with more information about likely network connection charges over the next regulatory period.

Our present connection pricing policy expires on 30 June 2017. Our amended Distribution Connection Pricing Policy is to be approved by the Australian Energy Regulator. The Australian Energy Regulator has published detailed guidance which explains how distribution companies in the National Electricity Market, like us, should calculate their connection charges. Our Distribution Connection Pricing Policy will be assessed against this guideline.

2. Connection Services

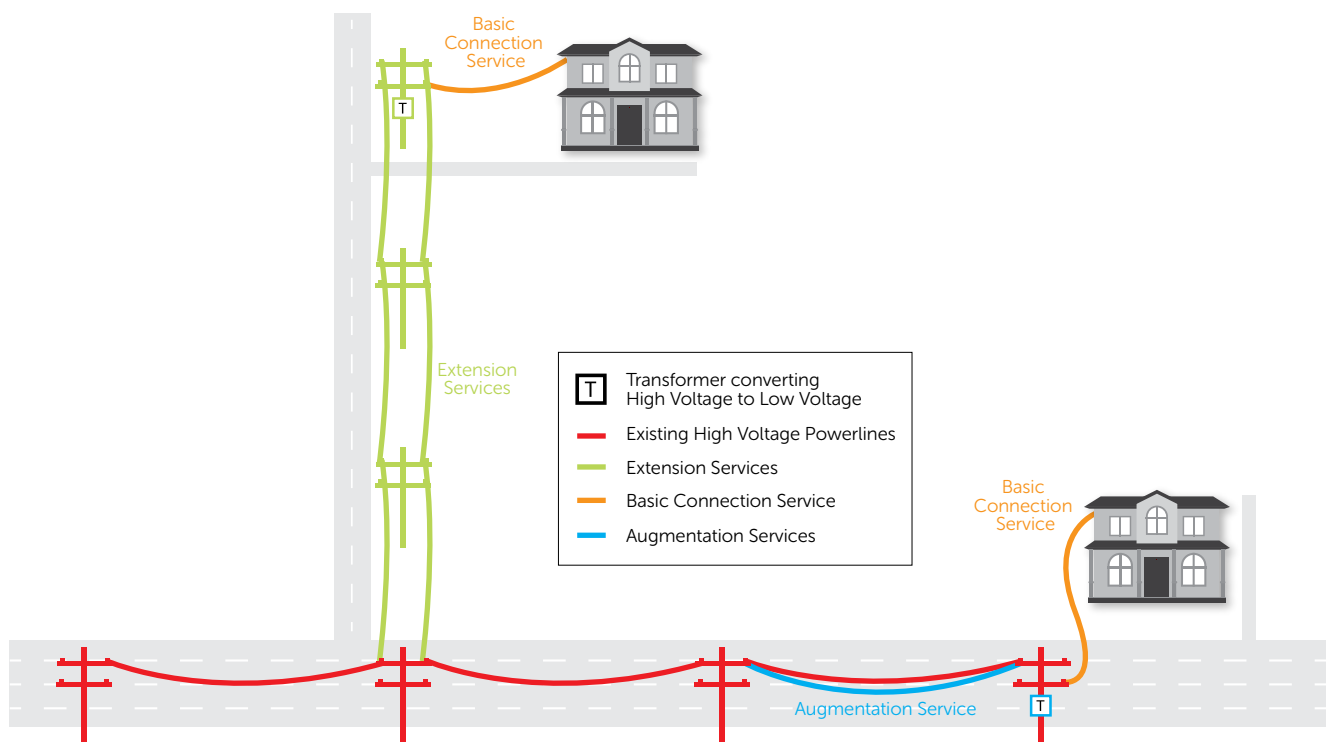
Connection services are the services provided to customers who are making a new connection, or who are altering an existing connection, to our network. For ease of understanding, we break up connection services into smaller categories.

A customer seeking a new or modified connection to our network may require one or more of the following connection services to be provided:

- a basic connection service;
- a major connection service;
- an extension service; or
- an augmentation service.

These types of services are illustrated in the following figure.

Figure 3: Types of connection services



We also provide some services that are related to connection services. Larger, more complex connection works may also require:

- asset relocation services;
- asset removal services; or
- street lighting services.

A customer may also be required to contribute to the cost of works funded by an earlier customer (developer). These charges and reimbursements are managed in accordance with a scheme we call our Developer Mains Scheme. This is discussed in more detail in section 4.2.10 *Refunding connection charges*.

2.1. Types of connection services

Basic connection service – the provision of a new or modified connection to the existing network for a home, business or other premises that:

- is provided at low voltage;
- is no greater than 100 Amps per phase;
- does not require the completion of a formal design; and
- can be charged using a standardised fee.

The majority of connections we provide are basic connection services.

Major connection service – the provision of a new or modified connection to the existing network for a home, business or other premises that:

- is greater than 100 amps per phase;
- requires the completion of a formal design; and
- because of individual customer characteristics, cannot be charged using a standardised fee.

Extension service – the construction of distribution network assets, beyond the boundaries of the existing shared distribution network, required for a new customer connection.

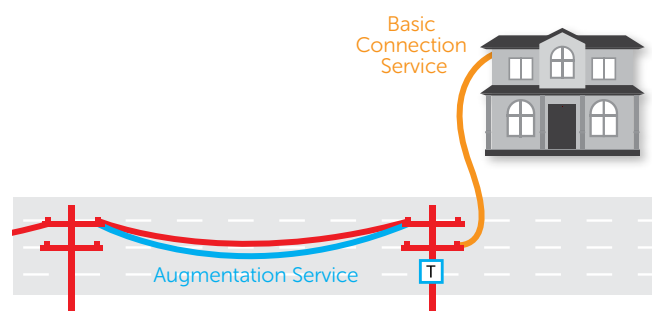
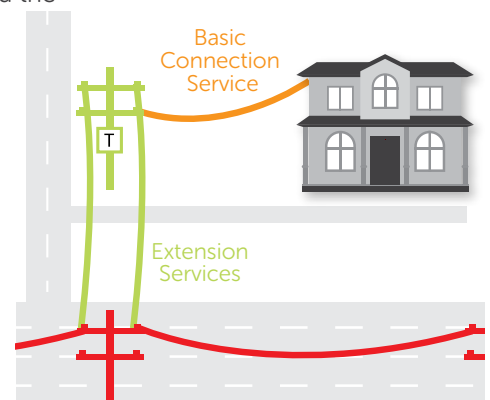
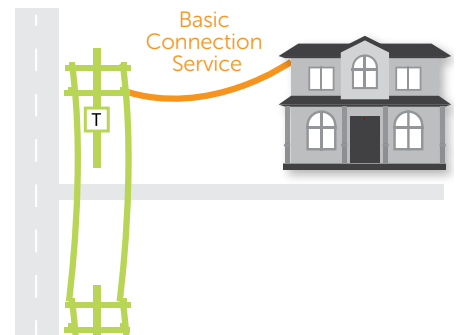
This could include the installation of:

- new poles and wires between the existing shared distribution network and the connecting property;
- a new transformer where the network is overhead; or
- a new substation where the network is underground.

Augmentation service – the works that are required to enlarge or increase the capacity of the existing shared network to facilitate a new or modified customer connection.

This could include:

- the installation of higher capacity poles and wires, which may include higher capacity conductor;
- an upgrade from a single wire earth return (SWER) line to a three phase line;
- the installation of a new, or higher capacity, transformer where the network is overhead; or
- the installation of a new, or higher capacity, substation where the network is underground.



Asset relocation service – the removal and relocation of existing distribution network assets.

Asset removal service – the removal of existing distribution network assets.

Street lighting service – the provision of street lighting at the request of a customer, which may be to meet the requirements a road authority (such as a local council or the Department of State Growth).

To assist understanding the allocation of costs for customers seeking connection services, connections fall under one of the following customer projects:

- **basic customer project** – where only a basic connection service is required
- **standard customer project** – where a basic connection service and a number of other connection services may also be required
- **complex customer project** – where a major connection service is required and a number of other connection services are usually also required.

This is illustrated in the table below.

Table 1: Types of connection projects

Customer project	Basic connection service	Major connection service	Extension service	Augmentation service
Basic customer project	Yes	No	No	No
Standard customer project	Yes	No	May include	May include
Complex customer project	No	Yes	May include	May include

3. Charging for connection services



Our network is generally designed to supply our existing customers, and these customers pay their share of the costs based upon their particular characteristics. If a new customer connects to our network, other customers should not have to pay extra because of that connection. Similarly, if an existing customer chooses to increase their usage, which means that we have to build more network assets, other customers should not have to pay extra because of that construction. For these reasons, we charge customers for the cost of making a new connection or altering an existing connection.

It is important that we get this charging right. In particular:

- If connection charges are too high, we will discourage customers from connecting to the network. This would not be a good outcome for existing electricity customers or the Tasmanian economy.
- If connection charges are too low, existing customers will be subsidising the costs of connecting new customers. Further, existing customers will not benefit from the lower network prices that typically result from new customers connecting.

In principle, fair and efficient prices occur when new customers pay the costs they cause by connecting to the network.

It is easy to see from the above discussion that it is challenging to develop connection charges. The issues become more complicated and financially significant for large customers and real-estate developers, as the sums involved can be substantial.

Taking into consideration this range of factors, our proposed approach to connection charges is summarised below:

1. Basic connection charges remain broadly unchanged so that clear pricing signals are retained.
2. Customers requiring basic and standard customer projects will continue to be exempt from any requirement to contribute towards augmentation services.
3. We will transition to more cost-reflective charging for standard customer projects that require transformers (extension transformers). We will do this by using the new incremental revenue rebate to first rebate transformation costs. The remaining transformation costs continue to be funded in the regulated asset base (and recovered through tariffs) as a transition step.
4. We will apply standard calculations and fixed rates wherever possible.
5. We will offer flexible pricing terms and introduce appropriate safeguards to ensure the connection charges are paid.
6. We will have one Developer Main Policy moving forward. Unlike the present arrangement, developers will also be entitled to refunds under the policy. We will have one method for calculating future charges and refunds.

4. Calculating connection charges



4.1. The steps in calculating customer charges

The approach to charging for customer project works depends on the nature of the service provided and a range of regulatory requirements.

Under the Australian Energy Regulator's Guidelines, there are a number of requirements that may affect the costs of customer project works. The charge that customers will pay to us is also dependent on the classification of the required works and any rebates that may apply. Important parameters underlying the regulator's methodology for calculating charges for connection and related services are briefly listed below.

- Charges relating to the services where the assets are for a particular customer and regulated outside our revenue allowance set by the regulator are to be calculated separately. These are known as alternative control services (ACS).
- Charges relating to services that provide assets that are shared by all customers and are recovered through our revenue allowance, and ultimately network tariffs, are to be calculated separately. These are known as standard control services (SCS).
- Each connecting customer will provide additional revenue, in the form of network tariff charges, and will receive a rebate, or a reduction, in their standard control services connection charges, to reflect this new revenue stream. This is known as an incremental revenue rebate (IRR).
- There are also charges for the assets that have been previously funded by another customer as their dedicated connection assets. Because of a newly connecting customer, these assets will now form part of the shared distribution network. These are known as developer mains charges (DM).

The amount of any connection related charge is determined in accordance with a prescribed formula, outlined in the table below.

More information is available from the Australian Energy Regulator fact sheets and Guidelines on their website¹.

¹ <https://www.aer.gov.au>



Table 2: Customer project works charge

Charge	Category	Services Provided
=	ACS Alternative control service (ACS) charge Charges for any connection-related services provided only to serve that customer	TasNetworks proposes that the following are services funded directly by the customer: <ul style="list-style-type: none"> • connection application charges • connection design charges • all basic connection services • augmentation services (large embedded generation only)
+	add SCS Standard control service (SCS) charge Charges for connection and connection-related services that may serve: <ul style="list-style-type: none"> • only that customer and/or • a number of customers and form part of the shared distribution network. May include rates for existing network capacity.	This will include a charge for: <ul style="list-style-type: none"> • major connection services • extension services required to facilitate connection to the existing network • augmentation services in the shared network that will service that customer
-	less IRR Incremental revenue rebate (IRR) A reduction in charges for future revenue	A rebate equal to the present value of the estimated future revenue stream received from the connecting customer through the application of network tariffs
+	add DM Developer Mains Charges (DM) Charges for connection-related services that were funded by another customer	The contribution to refund an existing customer who previously funded the construction of connection-related assets

4.2. Application to customer projects

In the sections below, we explain how the application of the AER Guidelines will affect the charges for connection services and affect particular customer segments.

We also discuss the following approaches that are important components of our Connection Pricing Policy:

- Standard calculations and flexible terms.
- Refunding connection charges.

4.2.1. Basic connections

We offer a number of basic connection services for customers and small generators requesting connection to our network. Our published schedule of fees² reflects the average time taken to travel to a customer's premises; the time typically spent on site when undertaking each type of connection service; the materials used; and the support vehicles needed to do each job.



Customers approved for a basic connection will not be required to pay additional costs if network augmentation is required as part of the connection process. This approach is consistent with the regulator's guidelines.

We consider that charges for basic connections should remain broadly unchanged and the present pricing signals are retained. This means that customers will pay connection charges that are in line with those paid by existing customers under our previous policy (ranging from approximately \$150 to \$750, depending on which type of basic connection service is provided).

However, this outcome will only be achievable if the regulator classifies these services as 'Alternative Control Services'. This is a technical regulatory issue, which we will be discussing with the regulator as part of our distribution regulatory proposal process.

4.2.2. Major connections

Major connections are not covered by the basic connection types and are described as 'major' because we need specific information regarding the customer's connection requirements before we can determine how to supply the customer and calculate the applicable connection charge.

4.2.3. Extension services

Extension services require the constructing of new network assets, which are beyond the existing boundaries of the shared network, to connect a customer.

Consistent with our previous policy, all connecting customers must contribute towards the cost of the new assets required for their connection.

4.2.4. Transformation

Under our present policy, customers requiring a standard customer project, with the exception of low consumption installations, are exempt from funding any transformers required as part of their extension services. This approach is inconsistent with the regulator's guidelines, which provide that customers are to contribute towards customer specific connection costs including transformers.

The price impact of moving to full cost reflectivity for individual customers is significant. This is particularly true for small rural customers, as the cost of a transformer could add \$8,000 to \$20,000 to their individual connection charges. We have therefore decided to transition slowly to a fully cost-reflective approach.

The regulator's guidelines also provide that we undertake an assessment of the incremental revenue we will receive for these standard control services (incremental revenue rebate).

² Refer to our *Indicative Pricing Schedule*

We have adopted the following approach to charging extension works for standard customer projects that require a transformer:

1. **For low consumption installations** (which excludes residential – refer to glossary) – total extension costs are calculated and the customer's incremental revenue rebate is applied against the total extension costs, including the extension transformation costs.
2. **For all other customers** – the customer's incremental revenue rebate is applied to the extension transformation costs. As it is unlikely that the anticipated rebate will ever exceed the costs of transformation, any remaining transformation costs will be funded by us within the regulatory asset base rather than charging the connecting customer.

In this way we will still fund the vast majority of extension transformation costs for a customer with a basic connection, with the exception of low consumption installations.

Standard customer projects where no transformation is required will pay less in total than they do now. This is because the new incremental revenue rebate will apply to any other extension costs, such as 'poles and wires'.

For standard customer projects with transformation, customers should pay about the same.

4.2.5. Augmentation services

We have retained our previous augmentation threshold – so basic and standard customer projects connecting at 100 Amps or less will not pay augmentation charges. The current threshold sees approximately 95 per cent of new connections fall below this threshold and these customers are therefore exempt from any requirement to contribute towards augmenting the shared network.

Only customers requiring a major connection are required to contribute to the shared network augmentation costs required to facilitate their connection.

We have simplified this calculation and augmentation costs will be charged based on a unit rate multiplied by a customer's site demand estimate.

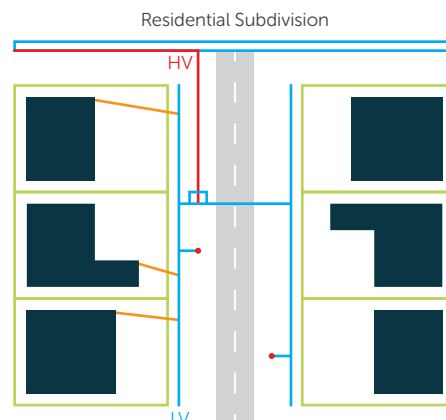
4.2.6. Real estate developers

Consistent with our existing policy, real estate developers are required to contribute towards all the assets required to service their intended development. The regulator's guidelines provide that real estate developers should not be exempt from paying for augmentation services.

Developers supplying serviced allotments will however now receive a rebate in relation to the network tariff revenue for future customers within the subdivision. As a consequence, real estate developers with serviced allotments will no longer be funding the full cost of the infrastructure necessary to supply a new subdivision and will be treated consistently with other connection projects.

In accordance with the regulator's guidelines, real estate developers will also be covered by our Developer Mains Scheme. This means they will benefit if future developers connect and make use of the network assets that they funded (see discussion in section 4.2.10 *Refunding connection charges*).

These are important changes from our previous policy, and ensure that we comply with the regulator's guidelines. These changes will tend to reduce the overall connection costs to real estate developers, which is good news for that sector.



4.2.7. Irrigation customers

The provision of water to irrigate crops and pastures plays an important role in the economic development of Tasmania. In line with guidance from the State Government, we continue to support concessional arrangements for irrigation customer connections to underpin continued economic development of this sector.

While requirements vary considerably, the majority of irrigation connections require transformers which are generally the biggest cost component of connection costs (typically 50 to 70 per cent).

We currently have concessional arrangements for this component of the customer connection charge and this is proposed to remain under our new Connection Pricing Policy.

A rebate will also be made in relation to the future revenue obtained by the irrigator from network tariffs. This incremental revenue rebate will be calculated in accordance with the regulator's guidelines, and together with the transformer concession, will mean connection charges for irrigators are generally forecast to be the same as current levels.

4.2.8. Embedded Generators

The approach to charging embedded generation connections to the distribution network depends on whether the generation is classified as a:

- micro embedded generation connection; or
- large embedded generation connection.

TasNetworks uses Australian Standard 4777³ (AS 4777) to determine what is 'micro', as opposed to 'large', embedded generation.

A micro embedded generator, of the type contemplated by AS 4777, requires a connection no greater than 10 kW on a single phase, up to a total output 30 kW.

Solar panel (photo-voltaic) connections account for the vast majority of micro embedded generation connections and are generally a basic connection alteration where a fixed fee applies (presently based on the cost of conducting a meter alteration). Customers may also incur costs in order to comply with technical standards for their embedded generators.

For micro embedded generation connections, we apply the same principles as apply for standard or basic customer projects. For large embedded generation connections, we apply the same principles as apply for complex projects.

The regulator's guidelines provide that all generators are to pay for any extension services to facilitate their connection, including any necessary transformers.

Larger embedded generation systems may require an extension or augmentation of the existing network to accommodate generation export to the network. These generators are required to pay for relevant additional extension and augmentation costs. The regulator's guidelines provide that charging large embedded generators is to be consistent with the charging arrangements for other generators. This means that embedded generators will only be charged for augmentation costs where the generator requests the removal of a network constraint.

Where the large generator does not want to pay this cost, the generator's export to the network may instead be constrained. The augmentation threshold does not apply to large embedded generator connections.

There is no incremental revenue rebate associated with embedded generator connections as we are not allowed to recover network tariff revenues from generators.

In summary, we have retained the current threshold between micro and large embedded generation systems (based on AS 4777) and continue to apply the same general approach to charging, aligned to standard and complex customer projects.

³ Australian Standard AS 4777 - 2005 "Grid Connection of Energy Systems via Inverters"

4.2.9. Standard calculations and flexible terms

Wherever possible, we will apply standard pricing methods and/or fixed rates for connection charge calculations, including charges for developers. This approach supports our response to connection enquiries in a timely manner; reduces our costs in processing connection applications; and improves price predictability for our customers.

We will also examine flexible payment models to ease the financial burden for customers and encourage new connections to the network.

4.2.10. Refunding connection charges

The regulator's guidelines provides that we are to refund connection charges where a customer makes a contribution to an extension service or augmentation service, which is subsequently used to connect one or more new customers within seven years of its installation. This refund arrangement will apply to real estate developers as well as other customers.

Our previous refund scheme ('the development mains scheme') employed a simpler calculation method when compared to the regulator's guidelines. Additionally, prior to 2014, we operated a scheme that applied for 10 years, rather than the seven year period that applies under the regulator's guidelines.

To comply with the regulator's guidelines, our method for calculating the refund will change and will also be applied to investments made under past schemes. We will transition to a single scheme from 1 July 2017.

We consider that this approach is equitable to all customers and removes any unnecessary complexity.

5. Consultation with customers



When developing our Distribution Connection Pricing Policy we asked customers to comment on our proposed approach. We asked them to answer specific questions in consultation papers, and to discuss our proposed approach to connection charges.

Through our consultation activities we have sought feedback on a range of matters and listened to what our customers are telling us. The feedback we have received has been positive and our customers have asked for a consistent and equitable connection framework that is simple to understand and consistent over time. We consider that we have addressed all fairness or efficiency considerations and these are reflected in our Distribution Connection Pricing Policy.

While we received no written submission that directly addressed our proposed Distribution Connection Pricing Policy, the feedback that was received during our meetings with stakeholders has generally indicated support for our proposed changes.

Our proposed Distribution Connection Pricing Policy is a component of the framework for provision of connection services to our customers. Our connection charging framework encompasses a suite of documents, including model contracts to support the connection process and our *Indicative Pricing Schedule* that includes the indicative connection charges that will apply from 1 July 2017 to 30 June 2019.

The regulator will check our proposed policy, and related charging framework, for regulatory compliance and seek stakeholder feedback before determining if it will approve our proposed policy for application. We encourage interested parties to provide their views on our proposed policy to the regulator and to us as part of this regulatory process.

¹ Note: the transition period is based on a 2014-15 commencement date.

Talk to us today



We welcome your feedback.

If you are uncertain about the connection charging arrangements that may be applicable to your particular circumstances, or want to provide us with feedback about our Distribution Connection Pricing Policy or the provision of connection services in general, you can contact us in the following ways:

-  dd17@tasnetworks.com.au
-  tasnetworks.com.au
-  Customer Service Centre: 1300 361 811

Glossary



Connection alteration

An alteration to an existing connection including; an addition, upgrade, extension, expansion, augmentation or any other kind of alteration. For the avoidance of doubt a connection alteration is not the same as a network augmentation for the purposes of calculating connection charges.

Connection Charge Guidelines

The guidelines published by the Australian Energy Regulator in accordance with section 5A.E.3 of the National Electricity Rules.

Developer mains scheme (DM)

Includes any part of the distribution network:

- which was installed and has existed for less than seven years; and
- for which TasNetworks has required payment of a connection charge; and
- that necessitates an extension to the distribution network; and
- which was previously part of the connection assets of a single customer; and
- that requires payment of a connection charge greater than \$1,000.

Embedded generator

A person who engages in the activity of owning, controlling, or operating a generating system that supplies electricity to, or who otherwise supplies electricity to, a distribution network and who holds or is deemed to hold a licence or has been exempted from the requirement to obtain a licence under a regulation of the ESI Act.

ESI Act

Electricity Supply Industry Act 1995 (Tasmania)

High voltage (HV)

As defined in the ESI Act –generally greater 1,000 volts or higher.



Irrigation customer

A customer in respect of an installation for which all or a significant part (>90 per cent) of the anticipated load is required for the purposes of pumping water:

- to irrigate crops or pasture; or
- that is subsequently used as part of an irrigation scheme to irrigate crops or pasture.

Low consumption installation

An installation for which the anticipated normal consumption is equal to or below 3,000kWh per annum, but excluding a principal residential installation.

Low voltage (LV)

As defined in the ESI Act, generally less than 1,000 volts and typically 400/230 volts.

Shared distribution network

The distribution network owned by TasNetworks, which can provide services to a number of customers.

Temporary installation

An installation that is intended to exist for a period of less than 12 months.



Tasmanian Networks Pty Ltd