

# 2025-26 Pricing Proposal Overview document

7 May 2025





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#### 1 INTRODUCTION

# 1.1 Purpose

This document forms part of the suite of documents and models comprising our 2025-26 Pricing Proposal to the Australian Energy Regulator (AER).

Our 2025-26 Pricing Proposal Compliance Statement submission to the AER provides all information required by the AER for its assessment of compliance against the National Electricity Rules.

This Pricing Proposal Overview provides other additional information for stakeholders regarding Energex's proposed 2025-26 network prices, including our tariff offerings, proposed tariff trials and network bill impacts for our customers from 1 July 2025. Our network tariff codes and prices are provided in our 2025-26 Network Price List.

Our Pricing Proposal is based on the AER-approved 2025-30 Tariff Structure Statement (TSS).

Energex's tariff offering and tariff assignment rules will change from 1 July 2025 in accordance with the 2025-30 TSS. Further information is available in our 2025-30 TSS and our Network Tariff Guide.

# 1.2 Background

Energex is subject to economic regulation by the AER. The AER determines how Energex's distribution services are classified and in turn the nature of economic regulation. This is important as it determines how prices will be set and how revenue is recovered from customers. The AER approves prices for services it classifies as Direct Control Services.

Direct Control Services are divided into two subclasses:

- Standard Control Services are core distribution services associated with the access and supply of electricity to customers. They include network services (construction, maintenance, and repair of the network), some connection services (small customer connections) and Type 7 metering services. The AER applies a revenue cap form of control to Standard Control Services. Energex recovers the costs of providing these services through network tariffs billed to retailers.
- Alternative Control Services are akin to a 'user-pays' system whereby the whole cost of
  the service is paid by those customers who benefit from the service, rather than recovered
  from all customers.

Further information about the economic regulation of electricity distribution network businesses, including the legislative and regulatory frameworks, is available on the AER's website.<sup>1</sup>

<sup>1</sup> Australian Energy Regulator (AER). [https://www.aer.gov.au/about/aer/our-role].



# 1.3 2025-26 network prices

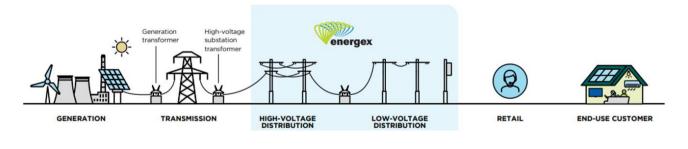
Energex's network charges cover the cost of transporting electricity to and from our customers' homes or businesses and represent the aggregation of the following components:

- Distribution use of system (DUOS) charges, which reflect Energex's electricity distribution costs.
- Designated pricing proposal charges (DPPC) or transmission use of system charges which reflect the costs associated with transmission of electricity over Powerlink's high voltage network.
- Jurisdictional scheme amounts which Energex must pay pursuant to certain Queensland scheme requirements. These charges comprise of the Solar Feed-in tariff, Energy Industry Levy (covering a proportion of the Queensland Government's funding commitments for the Australian Energy Market Commission) and Electrical Safety Office (ESO) levy. From 1 July 2025, Energex's ESO levy will be treated as a jurisdictional scheme. Prior to 1 July 2025, ESO costs were treated as operating expenditure.
- Legacy metering charges from 1 July 2025 legacy metering services (type 5 and 6 metering) will be reclassified from alternative control services to a standard control service.
   Legacy metering costs will be recovered from the low voltage (Standard Asset Customer) tariff class customers via a fixed daily charge, applicable to primary tariffs. Each primary tariff will attract a uniform metering increment to the fixed charge.

The combined result of these network bill components is often referred to as the network use of system bill.

We pass the network charges on to electricity retailers who recover these costs from customers via electricity bills. Retailers choose how they bundle the costs of each of these components into one electricity tariff for customers. Distribution network charges currently make up less than a third of an average residential electricity bill in South East Queensland. Other charges which include generation and retailer charges make up the other, more significant component of a customer's bill. Figure 1 shows the components of an electricity bill.

Figure 1: Components of an electricity bill



There is a range of energy resources – coal, gas, hydro, solar, wind and biomass

Transports high voltage electricity from the places that generate electricity over high distances. Connects to high-use industrial customers.

The 'poles and wires' that supply the electricity to South East Queensland's homes and businesses.

Retailers buy the electricity from generators and sell to customers. Most customers will receive their energy bill from their retailer.

South East Queensland has 1.6 million customers statewide. 35% of homes now have rooftop solar that flows back into the electricity grid.



#### Legacy metering charges

To minimise complexity and allow a like for like comparison between years, the network bill impacts presented in this document exclude legacy metering charges. These charges are provided in our 2025-26 Network Price List.

#### Average movement in network charges

We estimate that in 2025-26 total annual network charges (inclusive of transmission charges and jurisdictional schemes) will increase on average,<sup>2</sup> by approximately:

- \$13 or 2 per cent for residential customers
- \$36 or 2 per cent for small business customers, and
- \$263 or 1 per cent for a large business connected on the low voltage network.

#### Bill change for typical customer

The contribution of the distribution, transmission, and jurisdictional scheme charges to the total annual network bill for a typical residential and small business customer is presented in Figure 2 and Figure 3.



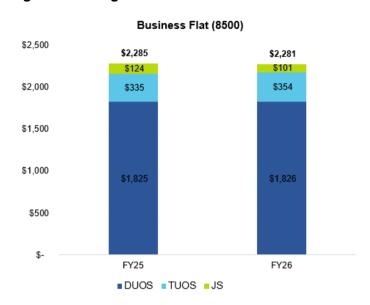
Figure 2: Average annual residential network bill<sup>3</sup>

Average annual network bill change for small customers is an average bill impact of the annual change in the flat tariff and the annual change in transition from the TOU Demand and Energy tariffs to the TOU Energy tariffs (approximately 50 per cent of customers assigned on each of these tariffs. For large customers the average network bill changes reflect an average of all tariffs.

<sup>&</sup>lt;sup>3</sup> Network bill impacts are based on a typical residential customer consuming 5,025 kWh pa, with a monthly peak demand of 3.5 kW.



Figure 3: Average annual small business network bill4



 $^4\,\mbox{Network}$  bill impacts are based on a typical small business customer consuming 19,692 kWh pa, with a monthly peak demand of 7.0 kW.



#### 2 NETWORK TARIFFS

#### 2.1 Network tariff classes

We have categorised Standard Control Services customers into three tariff classes, mainly based on the voltage level at which customers are connected to the network as this ensures customers who impose similar costs on the network are classified together with similar tariff structures.

Our tariff classes are described in Table 1.

Table 1: Tariff classes

| Tariff Class                                  | Eligible Customers  |
|---|---|
| Standard Asset<br>Customers (SAC)             | Customers connected at Low Voltage are classified as SAC. Customers allocated to the SAC tariff class include residential customers, small to medium businesses and unmetered supply customers. |
| Connection Asset<br>Customers (CAC)           | Customers coupled to the network voltage from 11kV who are not allocated to the ICC tariff class are allocated to the CAC tariff class.   |
| Individually<br>Calculated<br>Customers (ICC) | Customers are allocated to the ICC tariff class if they are coupled to the network at 33kV or above.  |

# 2.2 Network tariffs by class

Each tariff class consists of a number of different network tariffs. Table 2 sets out the individual tariffs in each tariff class and by customer segment.

Table 2: 2025-26 Network tariffs by tariff class

| Tariff class                            | Customer type  | Primary Tariffs  | Secondary Tariffs   |
|---|----------------|--|---|
|   | Residential    | <ul><li>Residential Flat*</li><li>Residential TOU Demand &amp; Energy</li><li>Residential TOU Energy</li></ul>   | <ul><li>Super Economy</li><li>Economy</li></ul>                           |
| Standard<br>Asset<br>Customers<br>(SAC) | Small business | <ul> <li>Small Business Flat*</li> <li>Small Business TOU Demand &amp; Energy</li> <li>Small Business TOU Energy</li> <li>Small Business Primary Load Control</li> </ul> | <ul><li>Super Economy</li><li>Economy</li></ul>                           |
|   | Large customer | <ul><li>Small Demand</li><li>Large TOU Demand &amp; Energy</li><li>Large TOU Energy</li></ul>  | <ul> <li>Large Business         Secondary Load         Control</li> </ul> |



| Tariff class                                     | Customer type | Primary Tariffs   | Secondary Tariffs |
|--|---------------|---|-------------------|
|  |               | <ul> <li>Large Business Primary Load<br/>Control</li> </ul> |                   |
|  |               | <ul> <li>Large Business Energy</li> </ul>                   |                   |
|  |               | Large Dynamic Flex Storage                                  |                   |
|  | Other         | Unmetered Supply  |                   |
|  |               | • 11kV Bus  |                   |
| Connection                                       |               | <ul> <li>Demand Time of Use 11kV</li> </ul>                 |                   |
| Asset<br>Customers                               |               | <ul> <li>CAC HV Bus TOU Demand</li> </ul>                   |                   |
| (CAC)  |               | <ul> <li>CAC HV Line TOU Demand</li> </ul>                  |                   |
|  |               | <ul> <li>CAC Dynamic Flex Storage</li> </ul>                |                   |
| Individually<br>Calculated<br>Customers<br>(ICC) |               | ICC tariff  |                   |

#### Notes:

Procedures for the assignment of new customers and reassignment of existing customers to network tariffs are contained in our 2025-30 TSS. Additional information is provided in our Network Tariff Guide.

#### 2.3 Trial tariffs

The following trial tariffs will commence in 2025-26:

- SAC Dynamic Price Storage tariff to test how to implement tariffs that signal higher prices during critical system events and the ability of storage customers to respond to these price signals.
- CAC Dynamic Price Storage tariff to test how to implement tariffs that signal higher
  prices during critical system events and the ability of storage customers to respond to these
  price signals.
- SAC Secondary Dynamic Price Storage tariff incorporating critical peak period import and export reward components.
- CAC Secondary Dynamic Price Storage tariff incorporating critical peak period import and export reward components.

The primary objective of these trials is to test our systems and processes for the implementation of dynamic storage tariffs. The SAC – Dynamic Price Storage tariff and CAC - Dynamic Price Storage tariffs may be incorporated into our tariff suite during the 2026-30 period pending satisfactorily meeting contingent tariff adjustments outlined in our 2025-30 TSS.

Energex will not be continuing the SAC Dynamic Flex Storage and the CAC Dynamic Flex Storage sub-threshold tariffs that were introduced in 2024-25. In accordance with our 2025-30 TSS those tariffs will become part of the tariff suite from 1 July 2025.

<sup>\*</sup> Grandfathered tariff (closed to new customers)



#### 3 NETWORK BILL IMPACTS

# 3.1 Summary of average customer bill impacts

On average most customers are expected to experience a bill increase of less than 1 per cent in network charges in 2025-26 compared with their 2024-25 charges. Smart meter customers and customers upgrading from a basic meter are expected to see a bill decrease. A summary of average annual network bill impacts for customers on the low voltage tariffs is presented in Table 3.

Table 3: Average customer network bill impacts - Nominal (\$)5

| SAC Tariffs              |                                     | Demand<br>(kW or<br>kVA/month) | Usage<br>(kWh/year) | 2024/25<br>NUOS<br>Nom (\$) | 2025/26<br>NUOS<br>Nom (\$) | Annual<br>NUOS<br>change (\$) | Annual<br>NUOS<br>change (%) |
|--------------------------|-------------------------------------|--------------------------------|---------------------|-----------------------------|-----------------------------|-------------------------------|------------------------------|
| Residential (<100MWh pa) |                                     |                                |                     |                             |                             |                               |                              |
| 3900                     | Residential TOU Demand&Energy       | 3.48                           | 5,025               | 622.31                      | 597.48                      | -24.85                        | -4.0%                        |
| 6900                     | Residential ToU Energy              | N/A                            | 5,025               | 698.27                      | 640.85                      | -57.42                        | -8.2%                        |
| 8400                     | Residential Flat*                   | N/A                            | 5,025               | 694.69                      | 700.70                      | 6.01                          | 0.9%                         |
| *Grandfathere            | ed                                  |                                |                     |                             |                             |                               |                              |
| <b>Small Busin</b>       | ess (<100MWh pa)                    |                                |                     |                             |                             |                               |                              |
| 3800                     | Small Business TOU Demand&Energy    | 7.02                           | 19, 692             | 1,980.23                    | 1,940.20                    | -40.03                        | -2.0%                        |
| 6800                     | Small Business ToU Energy           | N/A                            | 19, 692             | 2,965.84                    | 2,029.84                    | -936.00                       | -31.6%                       |
| 8500                     | Small Business Flat*                | N/A                            | 19, 692             | 2,284.63                    | 2,305.35                    | 20.72                         | 0.9%                         |
| 5700                     | Small Business Primary Load Control | N/A                            | 19, 692             | 1,408.93                    | 1,242.22                    | -166.71                       | -11.8%                       |
| *Grandfathere            | ed                                  |                                |                     |                             |                             |                               |                              |
| Large Busin              | Large Business (>100MWh pa)         |                                |                     |                             |                             |                               |                              |
| 8300                     | Demand Small                        | 90.51                          | 319,878             | 24,735.68                   | 25,977.18                   | 1,241.50                      | 5.0%                         |
| 7200                     | Large TOU Demand&Energy             | 90.51                          | 319,878             | 30,787.60                   | 30,791.05                   | 3.46                          | 0.0%                         |
| 6700                     | Large Business Energy               | N/A                            | 319,878             | 34,536.21                   | 34,557.02                   | 20.81                         | 0.1%                         |

#### 3.1.1 Key drivers of network price changes

The change in network prices is driven by:

• higher distribution revenue requirements in 2025-26, which reflect the AER's Final Determination Decision for the 2025-30 regulatory control period,

- lower forecast Powerlink transmission charges and jurisdictional scheme amounts that we are required to recover from customers in 2025-26, and
- forecast growth in customer numbers, demand and energy consumption.

<sup>&</sup>lt;sup>5</sup> The prices used for the customer impact analysis are the AER-approved network prices for 2024-25 and the proposed 2025-26 network prices. To eliminate the impact of fluctuation in demand and energy between years, the same usage and demand profiles were used to calculate customers' bills for both 2024-25 and 2025-26.



Table 4 provides a summary of our revenue requirements for 2025-26 compared with 2024-25.

Table 4: Forecast revenue requirement (\$M Nominal)

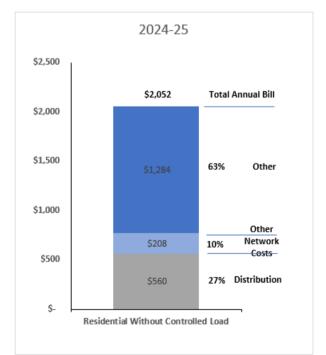
| Revenue component           | 2025 26 | 2024 25 | % change |
|-----------------------------|---------|---------|----------|
| Distribution                | 1,479.2 | 1,427.5 | 4        |
| Transmission                | 353.6   | 368.4   | -4       |
| Jurisdictional schemes      | 90.0    | 114.7   | -22      |
| Total Network use of system | 1,922.9 | 1,910.6 | 1        |

#### 3.1.2 Impacts of total residential customer bill

The above charges form the network charge component of a customer's bill. Other charges, which include wholesale, environmental, and retail charges, make up the other, more significant component of a customer's bill. Energex is responsible for distribution charges which make up approximately a third of the average residential bill in South East Queensland.

The charts in Figure 4 show the relative contribution of network charges to the average customer bill based on the AER's draft default market offer.

Figure 4: Total residential customer bill<sup>6</sup>



2025-26 \$2,500 Total Annual Bill \$2.175 \$2,000 \$1,500 Other 64% \$1,000 Other Network 9% \$192 Costs \$500 Distribution 27% \$586 Residential Without Controlled Load

<sup>&</sup>lt;sup>6</sup> The 2025-26 residential customer bill impact incorporates changes to network tariffs based on this pricing proposal while holding all other assumptions in the Draft DMO constant. The 2024-25 residential customer bill is based on the AER's final 2024-25 DMO.



#### 3.2 Residential customers

#### 3.2.1 Default tariff

The network bill impacts for residential customers currently on the Transitional Demand tariff (default tariff during the 2020-25 regulatory control period) and transitioning to the new default Time of Use Energy tariff is presented in Figure 5.

Figure 5: Residential annual network bill impact for transitioning customers – Transitional Demand to Time of Use Energy tariff by percentile

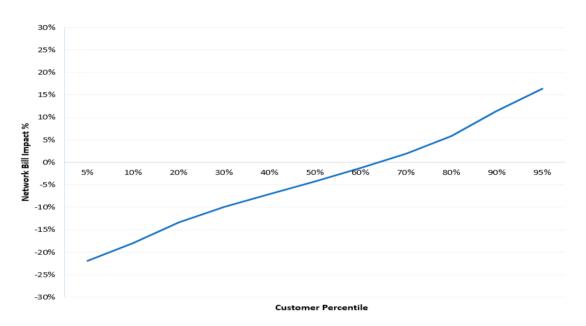


Figure 5 shows that the median customer percentile faces an average 4.3 per cent network bill decrease in 2025-26. The bottom fifth percentile faces an average 22 per cent bill decrease, while the top fifth percentile faces an average 16 per cent network bill impact.

Customers with lower consumption in the peak window will face relatively lower bill impacts (assuming no change in behaviour) attributed to a rebalancing of peak charges towards our Long Run Marginal Costs (LRMC). Customer impacts reflect a combination of the changes in revenue and changes in the tariff structure.

#### 3.2.2 Optional Time of Use Demand and Energy tariff

The network bill impacts for customers currently on the Transitional Demand tariff and choosing to stay on the optional Time of Use Demand and Energy tariff presented in Figure 6.



Figure 6: Residential annual network bill impact – Time of Use Demand and Energy tariff by percentile

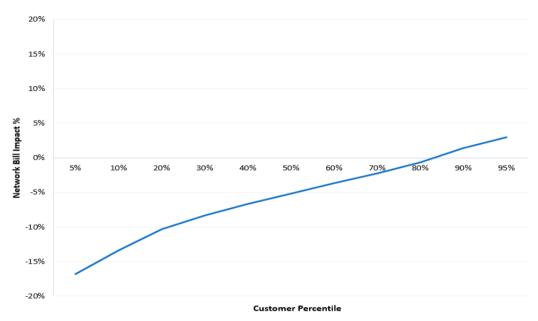


Figure 6 shows that in the median customer percentile faces an average 5 per cent network bill decrease in 2025-26 compared with 2024-25.

#### 3.2.3 Flat tariff

To present the annual network bill impact for our basic meter customers we have used energy data from smart meter customers and applied the proposed Residential Flat tariff prices. Customers with rooftop solar are excluded from the analysis as customers with solar typically have a smart meter and are assigned on either our default tariff or the optional Time of Use Demand and Energy tariff.

The annual network bill impact in 2025-26 for customers currently on the basic meter flat tariff is presented in Figure 7.



15%
10%
5%
10%
5%
10%
20%
30%
40%
50%
60%
70%
80%
90%
95%
-10%
-15%

Customer Percentile

Figure 7: Residential annual network bill impact – Flat tariff by percentile

Figure 7 shows that in the median customer percentile faces an average 1.7 per cent network bill increase in 2025-26 compared with 2024-25.

Customers with higher annual volumes will face relatively lower bill impacts (assuming no change in behaviour) attributed to a rebalancing of higher network charges to the fixed rate.

#### 3.2.4 Changing from a basic meter tariff to default tariff

Under our tariff assignment policy, existing customers on our basic meter (flat) tariff will be reassigned to the default tariff (Time of Use Energy tariff) when they received a smart meter (subject to any grace period provisions outlined in our 2025-30 TSS).

The indicative network bill impact of the reassignment from the Residential Flat tariff to the Time of Use Energy tariff in 2025-26 is presented in Figure 8.



## 1994 | Fig. 12 | Fig. 1

Figure 8: Residential annual network bill impact - Flat tariff to Time of Use Energy tariff

Figure 8 shows that the median customer faces a bill decrease of approximately 5.4 per cent following reassignment from a basic meter tariff to the default Time of Use Energy tariff.

Customers with higher off-peak consumption (during the 11am to 4pm) will face greater bill saving as a result of moving to a time of use tariff which has a zero distribution charge during this period.

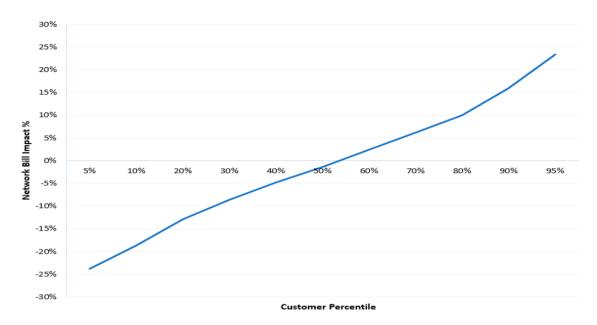
#### 3.3 Small business customers

#### 3.3.1 Default tariff

The network bill impact for small business customers currently on the Transitional Demand tariff (default tariff during the 2020-25 regulatory control period) transitioning to the new default Time of Use Energy tariff is presented in Figure 9.



Figure 9: Small business annual network bill impact for transitioning customers – Transitional Demand to Time of Use Energy tariff by percentile



The median small business customer faces a bill decrease of approximately 1.4 per cent following reassignment from the Transitional Demand tariff to the default Time of Use Energy tariff.

Customer impacts reflect a combination of the changes in revenue and changes in tariff structures.

#### 3.3.2 Flat tariff

The annual network bill impact in 2025-26 for customers currently on the basic meter flat tariff is presented in Figure 10.



30%
25%
20%
15%
5%
0%
-5%
-10%
-15%
-20%
-25%
-30%

Figure 10: Small business annual network bill impact - Flat tariff by percentile

Figure 10 shows that the median customer percentile faces a bill increase of 1.3 per cent in 2025-26.

Customer Percentile



Large low voltage business customers 3.4

#### 3.4.1 **Default tariff**

The network bill impacts for customers currently on the default Large Time of Use Demand and Energy tariff is presented in Figure 11.

Figure 11: Large low voltage business annual network bill impact -

Large Time of Use Demand and Energy tariff by percentile

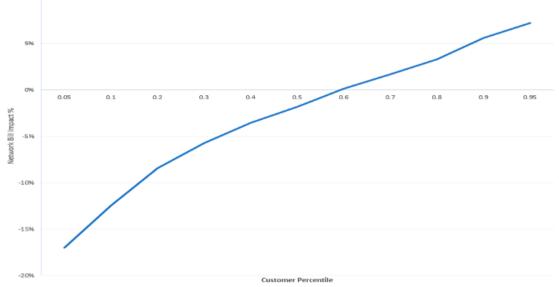
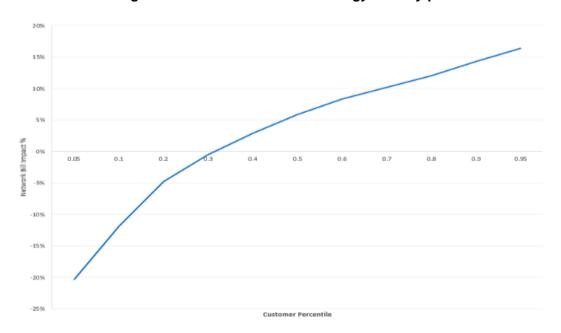


Figure 11 shows that the median customer percentile faces a bill decrease of 1.8 per cent in 2025-26.

From 1 July 2025 all smart meter large LV customers will be reassigned to the default Large TOU Demand and Energy tariff. Figure 12 shows the customer impact for all large low voltage customers including customers impacted by the reassignment. The median customer faces a bill increase of 5.8 per cent. Almost all the impacted customers will be able to mitigate their bill impact should they choose reassignment to the optional Demand Small tariff.



Figure 12: Large low voltage business annual network bill impact – Reassignment of all customers to Large Time of Use Demand and Energy tariff by percentile



# 3.5 High voltage customers

Figure 14 outlines the percentile impact for customers in the CAC tariff class.

15% 10% Network Bill Impact % 5% 0% 5% 10% 20% 30% 60% 70% 80% 90% 95% -5% -10% -15% -20% Customer Percentile

Figure 13: Average customer impacts for the CAC tariff class

The average network bill impact for CAC customers is a decrease of around 1 per cent. Customers being reassigned from our withdrawn tariffs (which were priced at a premium compared to the open tariffs) to the default tariffs will experience larger reductions in their network bill.



As ICC tariffs are confidential, we are not able to include a customer specific impact analysis. General trends ICC customer impacts between 2024-25 and 2025-26 are presented in Figure 14.

ZU /U 15% 10% Network Bill Impact % 5% 0% 5% 10% 40% 50% 60% 70% 80% 90% 95% -5% -10% -15% -20% Customer Percentile

Figure 14: Average customer impacts for the ICC tariff class

The average network bill impact for ICC customers is a decrease of around 1 per cent but there is a wide distribution of impacts. Lower transmission volume prices from Powerlink which are directly passed through to customers are impacting the ICC customers more significantly as transmission cost are a larger portion of their total network bill.



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#### 4 ALTERNATIVE CONTROL SERVICES

#### 4.1 Overview of Alternative Control Services

Alternative control services are regulated services we offer that are customer-initiated or requested and are directly recovered from customers seeking the service. Energex's Alternative Control Services can be broadly categorised into:

- network ancillary services customer and third party-initiated services related to the common distribution services but for which a separate charge applies (includes network safety services, non-standard network data requests, security lighting services)
- connection services services relating to the electrical or physical connection of a customer to the network (including temporary connections, de-energisations, reenergisations and supply abolishment), and
- public lighting services services relating to the provision, installation and maintenance of public lighting assets and emerging public lighting technology.

A more detailed list of the Alternative Control Services we provide is set out in Appendix A.

# 4.2 Alternative Control Services pricing arrangements

Energex's Alternative Control Services are regulated under a price cap control mechanism. This means that the AER determines our efficient costs and approves a maximum price that we can charge for the service.

Pricing arrangements for these services are either fee-based or quoted depending on the type of service.

#### 4.2.1 Fee-based services

The prices for fee-based services are set in accordance with specified service assumptions due to the standardised nature of the services. Fee-based services are determined via a cost build up approach at the individual service level and relate to activities undertaken by us at the request of customers or their agents.

For the first year of the regulatory control period prices for fee-based serviced are set by the AER.

Prices for fee-based services are available in the annual ACS pricing model and our 2025-26 Network Price List.

#### 4.2.2 Quoted services

Prices for quoted services are determined at the time the customer makes an enquiry and therefore reflect the individual nature and scope of the requested service which cannot be known in advance. The indicative prices for quoted services are determined using the AER's approved labour rates which are available in the annual ACS pricing model.

# 4.3 Public lighting services

We provide public lighting services for local councils and Queensland's Department of Transport and Main Roads (DTMR). The cost of these services is charged to customers through an operation, maintenance, and replacement charge per light.

Public lighting tariffs are dependent on the following factors:



- the location of the infrastructure (minor or major roads)
- · whether the assets were originally funded by us or by the customer
  - Rate 1 tariffs refer to infrastructure that is Energex owned and operated
  - Rate 2 tariffs refer to infrastructure gifted by the customer and operated by Energex
- the type of public lighting technology (i.e., conventional or LED).

The public lighting tariffs offered in 2025-30 are set out in Table 5.

Table 5: Public lighting tariffs

| Conventional Lights tariffs                      | LED specific tariffs  | Charge and unit  |
|--|---|--|
| Rate 1 CONV Minor – funded by Energex            | Rate 1 LED Minor – funded by<br>Energex   |  |
| Rate 1 CONV Major – funded by<br>Energex         | Rate 1 LED Major – funded by<br>Energex   |  |
| Rate 2 CONV Minor – funded by Council            | Rate 2 LED Minor – funded by Council  |  |
| Rate 2 CONV Major – funded by Council (and DTMR) | Rate 2 LED Major – funded by Council<br>(and DTMR)  | Fixed rate<br>(\$) per day   |
| N/A  | Rate 2A LED Minor – funded by Energex*  | per light  |
| N/A  | Rate 2A LED Major – funded by<br>Energex <sup>*</sup>   |  |
|  | Rate 2B Smart Major & Minor – funded by Council and DTMR*   |  |
|  | Rate 1 CONV Minor – funded by Energex  Rate 1 CONV Major – funded by Energex  Rate 2 CONV Minor – funded by Council  Rate 2 CONV Major – funded by Council (and DTMR) | Rate 1 CONV Minor – funded by Energex  Rate 1 CONV Major – funded by Energex  Rate 1 CONV Major – funded by Energex  Rate 2 CONV Minor – funded by Council  Rate 2 CONV Major – funded by Council  Rate 2 CONV Major – funded by Council (and DTMR)  Rate 2 LED Major – funded by Council (and DTMR)  Rate 2A LED Minor – funded by Energex  Rate 2A LED Major – funded by Energex  Rate 2A LED Major – funded by Energex  Rate 2B Smart Major & Minor – |

All other public lighting services, including emerging public lighting technology services, are treated as quoted services.



# **Appendix A. Alternative Control Services list and pricing arrangements**

Table 6 set our Alternative Control Services and pricing arrangements for these services.

**Table 6: Alternative Control Services and pricing arrangements** 

| Service<br>category                            | Description  | Basis of control mechanism   |
|--|--|--|
| Connection ser                                 | rvices – Services relating to the electrical or physical connection  | n of a customer to the   |
| Major  | The Framework and Approach (F&A) defines this service grouping as any addition or upgrades to connection assets located on the customer's premises for major customer connections.   |  |
| Major<br>customer -<br>Premises<br>connections | Note: This service includes design, construction, commissioning and energisation of connection assets (including administration services (e.g. reconciling project financials) and generation required to supply existing customers while equipment is deenergised to allow testing and commissioning to occur). It excludes all metering services and services separately identified under 'Connection management services'.  | Quoted - A formula-<br>based approach (cost<br>build-up).  |
|  | The F&A defines this service grouping as an enhancement required to connect a power line or facility outside the present boundaries of the transmission or distribution network owned or operated by a network service provider to facilitate new or altered major customer connection.  | Quoted - A formula-<br>based approach (cost<br>build-up).  |
| Connection application and management services | <ul> <li>The F&amp;A defines this service grouping as a range of services and activities provided by distributors, and sought by customers, which are specific to a connection point, and encompasses:</li> <li>Connection application related services</li> <li>De-energisations and re-energisations</li> <li>Temporary connections</li> <li>Temporary disconnections and reconnections</li> <li>Remove or reposition connections</li> <li>Overhead service line replacements (e.g. as a result of a point of attachment relocation)</li> <li>Protection and power quality assessment</li> </ul> | Fee based – a formula-based approach (cost build-up) in the first year and then a price path for the remaining years of the regulatory control period.  Quoted - A formula-based approach (cost build-up). |



| Service category                         | Description   | Basis of control mechanism                                |
|--|---|---|
|  | <ul> <li>Customer requested change requiring secondary and primary plant studies for safe operation of the network (e.g. change protection settings)</li> <li>Upgrade from overhead to underground service</li> <li>Rectification of illegal connections or damage to overhead or underground service cables</li> </ul>   |   |
|  | <ul> <li>Supply enhancement (e.g. upgrade from single phase to<br/>three phase)</li> <li>Power factor correction.</li> </ul>  |   |
|  | The F&A defines this service grouping as activities to provide customers with a higher standard of services that exceeds the minimum technically feasible standard. These include services at the request of customer or third party that are:  |   |
| Enhanced connection services             | <ul> <li>Provided with higher quality of reliability standards, or lower quality of reliability standards (where permissible) than required by the NER or any other applicable regulatory instruments</li> <li>In excess of levels of service or plant ratings required by the distributor, or</li> <li>For embedded generators, including the removal of network constraints.</li> </ul>                                 | Quoted - A formula-<br>based approach (cost<br>build-up). |
| Network ancill distribution se           | ary services – customer and third party initiated services relatervice  | ed to the common  |
| Network<br>safety<br>services            | <ul> <li>Examples include:</li> <li>Provision of traffic control and safety observer services</li> <li>Fitting of tiger tails and aerial markers</li> <li>Third party request for de-energising for safety</li> <li>High load escorts.</li> </ul>   | Quoted - A formula-<br>based approach (cost<br>build-up). |
| Customer requested planned interruptions | <ul> <li>Where the customer requests to move a distributor planned interruption and agrees to fund the additional cost of performing this distribution service outside of normal business hours</li> <li>Customer initiated network outage (e.g. to allow customer and/or contractor to perform maintenance on the customer's assets, work close to or for safe approach, which impacts other networks users).</li> </ul> | Quoted - A formula-<br>based approach (cost<br>build-up). |



| Service category  | Description  | Basis of control mechanism   |
|---|--|--|
| Attendance at customers' premises to perform a statutory right where access is prevented. | A follow up attendance at a customer's premises to perform a statutory right where access was prevented or declined by the customer on the initial visit. This includes the costs of arranging, and the provision of, a security escort or police escort (where the cost is passed through to the distributor).  | Fee based - a formula-based approach (cost build-up) in the first year and then a price path for the remaining years of the regulatory control period. |
| Customer,<br>retailer or third<br>party<br>requested<br>appointments                      | <ul> <li>Works initiated by a customer, retailer or third party which are not covered by another service and are not required for the efficient management of the network, or to satisfy distributor purposes or obligations. Includes, but is not limited to: <ul> <li>Restoration of supply due to customer action</li> <li>Re-test at customer's installation (i.e. customer has submitted a request and the Retailer has issued a Service Order Request, but installation fails test and cannot be connected, requiring a re-test of the installation)</li> <li>Safety observer</li> <li>Tree trimming</li> <li>Switching</li> <li>Cable bundling, and</li> <li>Checking pump size for tariff eligibility.</li> </ul> </li></ul> | Quoted - A formula-<br>based approach (cost<br>build-up).  |
| Removal/<br>rearrangement<br>of network<br>assets   | Removal, relocation or rearrangement of network assets (other than connection assets) at customer request that would not otherwise have been required for the efficient management of the network.   | Quoted - A formula-<br>based approach (cost<br>build-up).  |
| Network<br>related<br>property<br>services  | <ul> <li>Network related property services such as property tenure services relating to providing advice on, or obtaining deeds of agreement, deeds of indemnity, leases, easements or other property tenure in relation to property rights associated with a connection or relocation</li> <li>Conveyancing inquiry services relating to the provision of property conveyancing information at the request of a customer.</li> </ul>  | Quoted - A formula-<br>based approach (cost<br>build-up).  |



| Service category   | Description   | Basis of control mechanism                                |
|--|---|---|
| Authorisation<br>and approval<br>of third-party<br>service<br>providers<br>design and<br>works | Accreditation and approval of alternative service providers to provide design and construction services for real estate development and/or provide construction services for real estate development.   | Quoted - A formula-<br>based approach (cost<br>build-up). |
| Inspection and auditing services   | Auditing / inspecting of connection assets after energisation to network.   | Quoted - A formula-<br>based approach (cost<br>build-up). |
| Sale of approved materials or equipment  | Includes the sale of approved materials/equipment to third parties for connection assets that are gifted back to become part of the shared distribution network.  | Quoted - A formula-<br>based approach (cost<br>build-up). |
| Provision of<br>training to<br>third parties<br>for network<br>related access                  | Training services provided to third parties that result in a set of learning outcomes that are required to obtain a distribution network access authorisation specific to a distributor's network. Such learning outcomes may include those necessary to demonstrate competency in the distributor's electrical safety rules, to hold an access authority on the distributor's network and to carry out switching on the distributor's network. | Quoted - A formula-<br>based approach (cost<br>build-up). |
| Non-standard<br>network data<br>requests   | Customer requests provision of electricity network data requiring customised investigation, analysis or technical input (e.g. requests for pole assess information and zone substation data).   | Quoted - A formula-<br>based approach (cost<br>build-up). |
| Customer requested provision of electricity network data                                       | Data requests by customers or third parties including requests for<br>the provision of electricity network data or consumption data<br>outside of legislative obligations.  | Quoted - A formula-<br>based approach (cost<br>build-up). |
| Third party<br>funded<br>network<br>alternations   | The F&A defines this service group as alterations or other improvements to the shared distribution network to enable third party infrastructure (e.g. NBN Co telecommunications assets) to be installed on the shared distribution network. This does not relate to upstream distribution network augmentation.   | Quoted - A formula-<br>based approach (cost<br>build-up). |
| Auxiliary Mete   | ering Services (Type 5 and 6)   |   |



| Service<br>category                                   | Description   | Basis of control mechanism  |
|---|---|---|
| Auxiliary<br>metering<br>services                     | <ul> <li>Off cycle meter reads for Type 5 and 6 meters</li> <li>Change distributor's load control relay channel</li> <li>Customer requested meter inspection and investigation</li> <li>Type 5 and 6 meter removal and disposal</li> <li>Works to reseal a Type 5 and 6 meter due to customer or third party action</li> <li>Testing and maintenance of instrument transformers for Type 5 and 6 metering purposes, and</li> <li>Emergency supply restoration in relation to metering equipment not owned by the distributor.</li> </ul>  | Fee based - a formula-based approach (cost build-up) in the first year and then a price path for the remaining years of the regulatory control period. Quoted - A formula-based approach (cost build-up). |
| Provision of services for approved unmetered supplies | Provision of services to extend / augment the network, to make supply available for the connection of approved unmetered equipment, e.g. public telephones, public lights, extension to the network to provide a point of supply for a billboard & city cycle, e.g. installation of a pillar to supply connection for Rate 3 public lighting.   | Quoted - A formula-<br>based approach (cost<br>build-up).   |
| Public Lightin  | g Services  |   |
| Public lighting<br>services                           | Provision, construction and maintenance of public lighting.   | Price cap based on a limited building block in the first year of the regulatory control period and then a price path for the remaining years.   |
| Auxiliary<br>public lighting<br>services              | <ul> <li>Ad hoc, customer requested public lighting services:</li> <li>Removal /rearrangement of public lights</li> <li>Provision of unique luminaire glare screening or customer requests</li> <li>Review, inspection and auditing of design or construction works carried out by an accredited service provider</li> <li>Exit fees for the residual asset value of non-contributed public lights when the entire assets (pole, cabling, bracket, luminaire and lamp) are replaced before the end of their expected life, and</li> <li>Emerging public lighting technologies.</li> </ul> | Quoted - A formula-<br>based approach (cost<br>build-up).   |



| Service category                          | Description  | Basis of control mechanism  |
|---|--|---|
|   | Non-standard public light charges:   |   |
|   | <ul> <li>Non-standard public lighting charges apply where the cost of<br/>constructing public lights is not expected to be fully<br/>recovered through daily public lighting charges over a 20-<br/>year term. In these circumstances, we may require the<br/>customer to pay an additional upfront amount.</li> </ul> |   |
| Security<br>(watchman)<br>lights (legacy) | Operation and maintenance of equipment mounted on a distribution equipment used for security services, e.g. night watchman lights.  Note: excludes connection services.  | Fee based - a formula-based approach (cost build-up) in the first year and then a price path for the remaining years of the regulatory control period - for the maintenance, operation and replacement of the assets. |

Note: Excludes the replacement of conventional lights with Light Emitting Diode (LED) technology.