

Ancillary services – Quoted services application guide

For the 2024-2029 regulatory
control period (includes 2024-25
annual prices)

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TasNetworks acknowledges the palawa (Tasmanian Aboriginal community) as the original owners and custodians of lutruwita (Tasmania). TasNetworks, acknowledges the palawa have maintained their spiritual and cultural connection to the land and water. We pay respect to Elders past and present and all Aboriginal and Torres Strait Islander peoples.

Contents

| | | |
|-----------|--|----------|
| 1. | Introduction | 3 |
| 2. | Application of quoted services prices | 4 |
| 2.1 | TasNetworks | 4 |
| 2.2 | Goods and services tax (GST) | 4 |
| 2.3 | Quoted services charges | 4 |
| 2.4 | Cost recovery | 4 |
| 2.5 | Request process | 4 |
| 3. | Quoted service price formula | 5 |
| 4. | Procedure for reviewing complaints and disputes | 7 |
| 4.1 | Internal procedure for reviewing objections | 7 |
| 4.2 | Objection not resolved to satisfaction of customer under internal review process | 7 |
| 5. | 2024-25 charges | 8 |
| 6. | Glossary | 9 |

1. Introduction

This *2024-2029 Ancillary Services – Quoted Services Application and Price Guide* outlines TasNetworks' terms for the provision of alternative control services – quoted services and applies from 1 July 2024 to 30 June 2029.

Quoted services are those services provided by TasNetworks where the nature and scope of the service is specific to an individual customer's needs and varies from customer to customer. The cost of providing these services cannot be estimated without first knowing the customer's specific requirements. It is, therefore, not possible to set generic fixed fees in advance for these services.

Requests for quoted services may be made to TasNetworks directly by customers, by an electricity retailer or by a third party on behalf of a customer.

TasNetworks provides a range of new design and construction services and non-standard services on a quoted basis including, but not limited to:

Non-standard services

- Removal or relocation of TasNetworks' assets at the request of a customer or third party (for example, the Tasmanian Government);
- Services that are provided at a higher standard than the standard service, due to a customer's request for TasNetworks to do so;
- Provision of overhead and underground subdivision for developers;
- Services that are provided through a non-standard process at a customer's request (for example, more frequent meter reading);
- Network safety services;
- Customer vegetation defect works;
- Premises connection services and extension;
- Connection application services (other than those provided as ancillary services – fee based services);
- Design work for a new connection;
- Access permits, oversight and facilitation;
- Notices of arrangement;
- Network related property services;
- Planned interruption – customer requested; and
- Provision of training to third parties for network related access.

Further information on TasNetworks' other alternative control services, including public lighting services and fee based services, can be found at our website:

<https://www.tasnetworks.com.au/Poles-and-wires/Pricing/Our-prices>

2. Application of quoted services prices

2.1 TasNetworks

All references to TasNetworks within this *2024-2029 Ancillary Services – Quoted Services Application and Price Guide*, unless otherwise stated, refer to TasNetworks in its capacity as a licensed distribution network service provider in the Tasmanian region of the National Electricity Market (**NEM**) only.

2.2 Goods and services tax (GST)

Unless stated otherwise, the quoted services published by TasNetworks are exclusive of GST.

2.3 Quoted services charges

The quoted services labour rates in this *2024-2029 Ancillary Services – Quoted Services Application and Price Guide* are calculated in accordance with the Australian Energy Regulator's (**AER**) Distribution Determination applying to TasNetworks¹. All other charges will be passed through on a cost recovery basis together with a margin.

All financial components of a quoted service are to be paid as a single upfront amount prior to TasNetworks commencing any works. Alternative payment arrangements may be considered on a case-by-case basis, in which case a prudential requirement (e.g. Bank Guarantee) may be required.

2.4 Cost recovery

TasNetworks' charge for a quoted service reflects the costs of providing that quoted service. The AER has also approved the recovery of a (modest) margin when calculating the charge.

2.5 Request process

A customer who wishes to receive a quoted service from TasNetworks must submit a written request to TasNetworks or have their electricity retailer or agent acting on their behalf do so.

¹ [AER - Final decision - TasNetworks Distribution 2024-29 - TasNetworks-Ancillary Services Model- Dec 22 | Australian Energy Regulator \(AER\)](#)

3. Quoted service price formula

Prices for quoted services will be calculated by TasNetworks on an individual basis and in a manner which is consistent with the methodology in the AER's Distribution Determination applying to TasNetworks.² The AER's prescribed methodology for calculating a quoted services charge is as follows:

$$\bar{P} = Labour_t + Contractor\ Services_t + Materials_t + Margin_t + Tax_t$$

Where:

Labour: The labour costs directly incurred by TasNetworks in the provision of the service, which include labour on-costs and overheads. TasNetworks' labour rates for the 2024-2029 regulatory control period are set out in the AER's [Final Decision](#). Table 1 below outlines the labour categories for quoted services and the hourly charges for the provision of labour are detailed in Section 5. Labour rates will be escalated annually during the 2024-2029 regulatory control period.

Contractor Services: The costs associated with the use of external labour including overheads and any direct costs incurred. Contracted services charges apply the rates charged to TasNetworks under existing contractual arrangements with service providers. Direct costs incurred are passed onto the customer.

Materials: The cost of materials directly incurred by TasNetworks in the provision of the service, including materials storage and logistic on-costs and overheads, as well as vehicle costs.

Margin: A regulated margin set by the AER and added to quoted services pricing to ensure that the prices paid by customers are reasonable and efficient, but not anti-competitive. Margin is an amount equal to 5.93 per cent of the total costs of labour, contractor services and materials, which is consistent with the Weighted Average Cost of Capital (**WACC**) forecast to apply to TasNetworks over the 2024–2029 regulatory control period.

Tax: the tax payable at the company tax rate of 30% on the capital component of the expenditure (revenue less expenses) that incurs a tax liability.

TasNetworks is unable to provide a full range of prices for quoted services for the year because the cost of providing these services will be dependent on a customer's specific requirements and circumstances and may vary significantly between even outwardly similar jobs.

² [AER - Final Decision Attachment 16 - Alternative control service - TasNetworks -2024–29 Distribution revenue proposal - April 2024.pdf](#).

Table 1: Quoted service labour categories

| Labour category | Skillset | Skillset description |
|---------------------------------|---|--|
| Field Worker | Linesman, LV Cable Joints, Electrical Technician, Dual-Trade Elec/Linesman, Live Linesman | Field Workers able to perform electrical work |
| Labourer | Field Construction Officer, Locations Officer | Field Workers not able to perform electrical work |
| Distribution operator | Switching Operations, Distribution Operations | Field Worker who operates the distribution network |
| Engineer | Engineer, Protection and Control Technical Officer | Worker who provides specialised engineering services |
| Construction coordinator | Site Manager, Scheduling, Field Coordinator, Team Leader, Project Manager Distribution | Worker who provides leadership services |
| Designer | Designer | Worker who provides distribution network design services |
| Project administration | Customer Experience, Land Access and Approvals (more specialised office-based staff) | Specialised off-based staff |
| Administration | Customer Service, Project Support Officer | Office-based staff not otherwise covered |

4. Procedure for reviewing complaints and disputes

TasNetworks will ensure that all complaints and disputes are dealt with in accordance with its standard complaints and dispute resolution policy and procedures. TasNetworks' dispute resolution policy is reviewed annually and published on TasNetworks' website.

4.1 Internal procedure for reviewing objections

Where TasNetworks receives written notification that a customer has an objection to the proposed quoted service charge, TasNetworks will undertake the following internal review process:

- the customer's written objection will be reviewed by TasNetworks;
- any additional information provided by the customer (and/or the customer's retailer or agent) will be considered;
- TasNetworks will determine the quoted services charge that should apply;
- the proposed quoted services charge will be reviewed and approved by the Head of Regulation; and
- the customer (and/or customer's retailer or agent) will be notified in writing of the final quoted services charge review outcomes within 15 business days of receipt of the customer's written objection.

TasNetworks may consult with the customer's retailer or agent during the process of undertaking a review.

4.2 Objection not resolved to satisfaction of customer under internal review process

If a customer's objection to a quoted service charge is not resolved to the customer's satisfaction after applying TasNetworks' internal review process, as detailed above, the customer is entitled to seek independent resolution of their objection through the following avenues:

- if the resolution of the dispute is within the jurisdiction of the Energy Ombudsman, the customer is entitled to escalate the matter to the Energy Ombudsman; or
- the customer is entitled to seek a decision by the AER via the dispute resolution process available under Part L of Chapter 6 of the National Electricity Rules.

5. 2024-25 charges

The daily charges for the provision of labour rates for the period 1 July 2024 to 30 June 2025 are presented below.

Table 2: Quoted service labour rates 2024-25 (business hours)

| Labour category | Hourly rate (\$) |
|--------------------------|------------------|
| Administration | 110.02 |
| Construction coordinator | 182.25 |
| Designer | 187.57 |
| Distribution operator | 186.02 |
| Engineer | 207.47 |
| Field worker | 155.90 |
| Labourer | 134.77 |
| Project administrator | 110.02 |

Table 3: Quoted service labour rates 2024-25 (after hours)

| Labour category | Hourly rate (\$) |
|--------------------------|------------------|
| Construction coordinator | 318.95 |
| Field worker | 272.83 |
| Labourer | 235.87 |

The margin associated with quoted services for the period 1 July 2024 to 30 June 2025 are presented below.

Table 4: Margin

| Margin | (%) |
|------------------------|------|
| Quoted services margin | 4.73 |

All other prices will be as per the quote provided and will be levied on a cost recovery basis.

6. Glossary

| Term/Acronym | Description |
|-----------------------------------|---|
| AER | Australian Energy Regulator. |
| Customer | A person to whom TasNetworks provides regulated services. |
| Distribution Determination | AER, Final Decision, TasNetworks distribution determination 2024-2029 (see AER - Final decision - TasNetworks Distribution 2024-29 - TasNetworks-Ancillary Services Model- Dec 22 Australian Energy Regulator (AER)) |
| Energy Ombudsman | As defined in the Energy Ombudsman Act 1998 (Tas). |
| GST | Goods and services tax. |
| NEM | National Electricity Market. |
| TasNetworks | Unless otherwise stated means Tasmanian Networks Pty Ltd ABN 24 167 357 299 in its capacity as a distribution network service provider licensed in the state of Tasmania. |
| WACC | Weighted Average Cost of Capital. |



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