

# Essential Energy

## Network charge assignment and reassignment

Effective from July 2024



## Procedures for assigning and reassigning retail customers to customer classes

- 1 This procedure outlines the assignment and reassignment of network tariffs in accordance with clause 6.18.1A (a) (1) of the National Electricity Rules (NER) and Essential Energy's Tariff Structure Statement (TSS) for the 2024-29 regulatory period. It applies to direct control services.

### Assignment of existing customers to customer classes at the commencement of the regulatory control period

- 2 Essential Energy's existing customers will be taken to be assigned to the customer class in which their existing network tariff sits prior to 1 July 2024, if:
  - o They were a customer prior to 1 July 2024, and
  - o Continue to be a customer as at 1 July 2024.

### Assignment of new customers to a network charge class during the regulatory control period

- 3 New connection or a change of occupancy will trigger assignment.
- 4 For new connections, Essential Energy will use the estimated information collected from the retailer's B2B service order, in conjunction with the system of assessment as described in the *Error! Reference source not found.* section of the TSS, to assign the new customer to the appropriate network charge.
- 5 New residential and small business customers connecting to the network, will be assigned to the default cost-reflective network charge relevant to their metering technology.
- 6 Change of occupancy will lead to assignment to the default cost-reflective network charge where the appropriate metering technology is available at the premises. If the premises do not have a smart or interval meter, the customer will be assigned the network charge that previously existed at the premises. Where a network price change is required in connection with a change of occupancy, the retailer must request a network charge reassignment in accordance with the *Reassignment triggered by the customer or customer's retailer* section below.
- 7 These customers will have the choice to opt out to an alternative network charge if they satisfy the necessary eligibility requirements.

### Reassignment of existing customers to another existing or a new customer class during the regulatory control period

- 8 Reassignment can be triggered when an existing customer's load, connection and/or metering characteristics have changed such that it is no longer appropriate for that customer to be assigned to the network charge to which the customer is currently assigned. Existing residential and small business customers who:
  - o upgrade their connection, through installing three-phase power or embedded generation, or upgrading an existing embedded generation connection, will be assigned to the default cost-reflective network charge relevant to their metering technology.
  - o have a change to their meter characteristics with the installation of a smart meter, with no other change to their connection, will be assigned to the default cost-reflective network charge relevant to their metering technology
- 9 Reassignment can be triggered by Essential Energy or a customer's retailer.
- 10 Customers may notify their retailer or Essential Energy if they identify that their current assignment is no longer appropriate.
- 11 If notified by a customer directly, Essential Energy is obliged to investigate, and where it finds the assignment is no longer appropriate, to initiate reassignment. In these instances, Essential Energy is obliged to provide all notifications otherwise only sent to the customer's retailer, to both the customer's retailer and the customer directly.
- 12 In general, customers or their retailer may make one application for reassignment in any 12-month period per connection point. Essential Energy will consider exceptions on a case-by-case basis.
- 13 Whether the customer's retailer or Essential Energy initiates a network charge reassignment, Essential Energy will use the system of assessment described above to reassign the customer to the appropriate network charge.
- 14 The network charge change will be applied from the last actual meter read date. For Smart Meters, where daily reads occur, the last meter read date will be taken as the last invoiced meter read date (therefore end of month).

- 15 Any request for a mass re-assignment of customers will be dealt with on a case-by-case basis – taking into account Essential Energy’s billing system capabilities.

#### Reassignment triggered by the customer or customer's retailer

- 16 Customers and the customer's retailer should monitor the suitability of the network charge applied. Where a customer or customer's retailer identifies the existing network charge is not suitable, they must advise Essential Energy of the need for reassignment. Additionally, where it identifies a need for reassignment, Essential Energy can initiate reassignment – see the *Reassignment triggered by Essential Energy* section below.
- 17 Where the customer's retailer requests a network charge reassignment (on its own initiative or at the customer's request):
- o the customer’s retailer applies in writing by submitting the Supply Service Works Service Order (SSW-SO) for Network Charge Change via the Energy Market B2B processes, or
  - o if the request requires a metering configuration or update the customer’s retailer would need to raise the appropriate B2B service order (Metering Service Works Service Order MSW-SO).

#### Reassignment triggered by Essential Energy

- > Where Essential Energy initiates the network charge reassignment, it will provide a notice to the customer’s retailer prior to the actual network charge reassignment. Essential Energy will also advise the customer prior to the assignment if they are a business customer.
- > The obligation to notify a customer's retailer does not apply if the customer has agreed with its retailer and Essential Energy that its network charges are to be billed by Essential Energy directly to the retail customer, in which case Essential Energy must notify the customer directly.

#### Obsolete network charge

- 18 An obsolete network charge is a network charge that may apply to existing Essential Energy customers but is not available to new customers. Customers who choose to transfer off an obsolete network charge will lose all rights to all obsolete network charges on that premises, therefore the entire site will be required to move onto a currently available network charge. Exceptions apply when customers connect to additional services. Refer to Essential Energy’s Network Price List and Explanatory Notes which is available on [www.essentialenergy.com.au](http://www.essentialenergy.com.au) for further details in relation to obsolete network charge.
- 19 Customers may not go back onto an obsolete network charge once they have transferred off it.

#### Controlled load

- 20 Where a customer wishes to change from Controlled Load 1 to Controlled Load 2 (or vice-versa) the customer must notify their retailer.
- 21 To change Controlled Load network charge, the customer’s retailer is required to submit the relevant Metering Service Works (Meter reconfiguration) B2B service order to trigger the necessary meter/relay reconfiguration. Once the meter/relay reconfiguration has taken place, Essential Energy will perform the appropriate network charge reassignment without requiring the retailer to submit a SSW-SO.
- 22 The network charge will be changed as at the date of the Meter reconfiguration (therefore Frequency Injection Relay channel change).

#### Notifications

- 23 Essential Energy will notify the customer’s retailer in writing of the network charge to which the customer will be assigned or reassigned prior to the network charge assignment or reassignment occurring:
- o in the event Essential Energy initiates the network charge reassignment, Essential Energy will notify the customer’s retailer in writing prior to the actual network charge reassignment occurring.
  - o in the event the customer’s retailer initiates the network charge reassignment, Essential Energy will notify the retailer in writing of the success or otherwise of the application. Where the application is not successful or where Essential Energy has decided to assign a network charge other than that proposed by the retailer, Essential Energy will advise the retailer of the reasons for the decision.
  - o The obligation to notify a customer's retailer does not apply if the customer has agreed with their retailer and Essential Energy that their network charges are to be billed by Essential Energy directly to the retail customer, in

which case Essential Energy must notify the customer directly.

- 24 As part of our notification procedures, Essential Energy will advise the retailer that they can request further information from Essential Energy and that they may object to the network charge reassignment decision made by Essential Energy. Essential Energy encourages retailers to request further information or clarification of its network charge reassignment decision before an objection is lodged.
- 25 If, in response to a notice issued in accordance with paragraph 24 above, Essential Energy receives a request for further information from a customer's retailer or customer, then it must provide such information. If any of the information requested is confidential, then it is not required to provide that information to the retail customer.
- 26 The customer's retailer is wholly responsible for conveying the correct information to Essential Energy and communicating any further requests and decisions made by Essential Energy to the customer.

## Objections

- 27 Essential Energy must allow retailers to object to a network charge reassignment decision made by Essential Energy. The objection procedure allows retailer's to formally request a review of the network charge reassignment decision.
- 28 The following steps will be applied as part of the objection procedure:
  - (a) Retailers must submit an objection in writing using Essential Energy's Network Charge Reassignment Objection form. Supporting evidence or documentation related to the decision being reviewed must be provided by the retailer. Retailers should make reference to their customer's load, connection and metering characteristics as part of the network charge reassignment objection. The completed form and supporting information and documentation will be emailed to [networktariffchange@essentialenergy.com.au](mailto:networktariffchange@essentialenergy.com.au).
  - (b) Essential Energy's Network Pricing Manager must review the objection, including any documentation provided. In reviewing the objection, the Network Pricing Manager must assess if the original decision complies with this network charge assignment and reassignment policy and any regulatory obligations and will consider any supporting evidence and documentation provided.
  - (c) Within 20 days of receiving the completed Network Charge Reassignment Objection form, Essential Energy must notify the customer's retailer, and where appropriate the customer, in writing of the outcome of the Network Pricing Manager's review and reasons for accepting or rejecting the objection. If Essential Energy believes the objection review process will take longer than 20 business days, Essential Energy must advise the retailer, and where appropriate the customer, accordingly.
- 29 If an objection to an assignment or reassignment is successful:
  - (a) If the completed objection form is received within 20 business days from the date the retailer was advised of the original network charge reassignment decision, Essential Energy will apply the changes from the last actual meter read date taken before the original network charge reassignment application.
  - (b) If the completed objection form is received after 20 business days from the date the retailer was advised of the original network charge reassignment decision, Essential Energy will apply the changes from the last actual read date taken before the completed objection form is received.
  - (c) If Essential Energy requests further information from the retailer pertaining to the objection application, and such information is not provided within 20 business days from the date requested, Essential Energy will apply the changes from the last actual read date taken before the additional requested information is received.
- 30 Essential Energy will make any adjustment to network charges billed to retailers or directly to customers in relation to a successful objection as part of the normal billing process, including any compensation relating to the time value of money.
- 31 If an objection to a network charge class assignment or reassignment is upheld, then any adjustment which needs to be made to network charge levels will be done by Essential Energy as part of the next annual review of prices.
- 32 If the customer or retailer isn't satisfied with the objection response from Essential Energy, the customer or retailer may escalate the matter to the Energy and Water Ombudsman (NSW), or to any other relevant external dispute resolution body that has jurisdiction over such matters. If the customer or retailer is still not satisfied with the external party's assessment, the customer or retailer may seek a decision from the Australian Energy Regulator using the dispute resolution process available under Part 10 of the National Electricity Law.