

TASMANIAN ELECTRICITY CODE

MAY 2015

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VERSION: AS AMENDED ON ~~4 SEPTEMBER 2015~~ [APRIL 2017](#)

EXPLANATORY NOTES IN RESPECT OF CODE CHAPTERS

This section provides a brief overview of various chapters of this Code to assist in interpretation or general understanding of the relationship to other regulatory instruments, particularly the ESI Act, licences and guidelines.

CHAPTER 1 – Introduction and Code Supervision

This chapter is largely confirming the authority of the Code, the responsibilities of the Regulator, and the scope of the Code, i.e. it is generally limited in its application to the extent of requiring compliance, to licensed electricity entities.

It confirms that the intention embodied in the Code is to complement the NEM regulatory arrangements by addressing certain issues of more specifically jurisdictional interests.

The objectives of the Code are necessarily the same as those of the ESI Act, but there has been some more detailed specification of the responsibilities of the general responsibility of the Regulator to administer and maintain the Code.

CHAPTER 2 – Licensees and Fees

This chapter covers the responsibilities of the licensees to pay licence fees.

The Regulator continues to be self-funded with expenditure met through licence fees with appropriate auditing and accounting in accordance with the *Public Account Act 1986*. Provision has been made for the establishment of an account for the purpose of recording revenue received and expenditure incurred by the Regulator in the discharge of its functions under the legislation and the Code.

The Regulator has an obligation to develop a structure of licence fees, the principles to be applied in determining that structure, determination of the Regulator's budgeted revenue requirements and the quantum of fees payable by each licensee. This supports accountability and transparency in the Regulator's discharge of its responsibilities.

Costs incurred in conducting an electricity price investigation have been specifically excluded from the determination of the Regulator's budgeted revenue requirements as cost recovery provisions are separately contained within the *Electricity Supply Industry (~~Price Control~~ Pricing and Related Matters) Regulations 2013* as amended or substituted from time to time.

after consultation the CCP was dissolved in 2009 and the Code change process was revised.

The new Code change process:

- modifies the existing fast track procedure to include matters on which consultation has previously been undertaken and decided; and
- provides for a streamlined general Code change procedure.

The extension of the fast track procedure to cover matters on which consultation has been previously undertaken and decided is to avoid duplication in consultation. A set of criteria have been prescribed that must be satisfied before the fast track procedure may be invoked to deal with Code change matters on which consultation has previously been undertaken and decided. The prescribed criteria set up the appropriate safeguards to ensure the transparency and due process of decision making.

Confidentiality

The ESI Act provides a duty of confidentiality on the Regulator but it does not prescribe any procedures. It is appropriate that the Regulator develop a set of policies and procedures to provide some certainty of process in such matters.

The confidentiality provisions apply to the Regulator and Code bodies (and members of such bodies). It is also of general application and not confined to information arising under Code processes, although there is considerable detail on that category of information.

There are dispute resolution and appeal procedures in respect of the classification of information.

Incident Reporting

The NER provides for certain incident reporting but the principal focus of this is on matters affecting power system security. This leaves the vast majority of incidents which interrupt supply or affect power system quality outside the scope of the NER provisions.

The Code provides a bare obligation to review and report on incidents or deviations from normal operating conditions, but it further provides that the Regulator shall publish guidelines governing these incident reports.

Consultation Procedures

The Code had within it a number of consultation procedures for different occasions and different bodies, e.g. the former Reliability and Network Planning Panel, as well as those relating to network development assessment. The Regulator has a separate duty of administrative fairness arising out of the ESI Act.

In some instances there is also a prescribed legislative scheme of consultation, e.g. *Electricity Supply Industry (~~Price Control~~Pricing and Related Matters) Regulations 2013* as amended or substituted from time to time. This reflects the significance of the subject matter of the regulations and the legislative requirement of an assurance as to the scheme of consultation. Such a legislative scheme in effect codifies the established 'best practice' administrative law in such matters.

CODE UPDATES (SINCE MAY 2005)

A ready reference to the most recent versions of other Chapters of the Code, to be read in conjunction with this update, is provided below.

READY REFERENCE TO UP-TO-DATE CHAPTERS OF THE CODE

	Latest version
PREAMBLE	May 2015 <u>April 2017</u>
CHAPTER 1 INTRODUCTION AND CODE SUPERVISION	July 2014
CHAPTER 2 LICENSEES AND FEES	July 2014 <u>April 2017</u>
CHAPTER 4A BASS STRAIT ISLANDS	October 2013
CHAPTER 8 DISTRIBUTION SYSTEM OPERATION	July 2014 <u>April 2017</u>
Schedule to Chapter 8	January 2008
CHAPTER 8A DISTRIBUTION POWERLINE VEGETATION MANAGEMENT	January 2015
CHAPTER 9 RETAILING	May 2015
Schedule to Chapter 9	January 2008
CHAPTER 12 ADMINISTRATIVE FUNCTIONS	January 2013 <u>September 2015</u>
CHAPTER 14 TASMANIAN ELECTRICITY CODE GLOSSARY	January 2015 <u>April 2017</u>

CHRONOLOGY OF CHANGES TO THE CODE

Date change effected	Clause / Chapter version	Nature of change / subject matter	Reflected in Chapter version
<u>5 April 2017</u>	<u>PREAMBLE</u> <u>April 17</u>	<u>Amendments to correct citing of Regulations. Code Updates section amended.</u>	<u>April 2017</u>
<u>5 April 2017</u>	<u>Chapter 2</u> <u>April 17</u>	<u>Amendment to correct citing of Regulations. Amendments consequential to the publication of the Structure of Licence Fees (1 July 2017-30 June 2020).</u>	<u>April 2017</u>
<u>5 April 2017</u>	<u>Chapter 8</u> <u>April 17</u>	<u>Amendments to align voltage performance standards with the National Electricity Rules and industry best practice.</u>	<u>April 2017</u>
<u>5 April 2017</u>	<u>GLOSSARY</u> <u>April 17</u>	<u>Amendment to correct citing of Regulations.</u>	<u>April 2017</u>
1 September 2015	PREAMBLE September 15	Code Updates section amended, outdated ISBN removed from cover page.	September 2015
1 September 2015	Chapter 12 September 15	Consequential amendment made as a result of amendments to <i>Electricity Supply Industry Act 1995</i> .	September 2015

DETAILED NOTES ON SPECIFIC UPDATES

April 2017 (amendments to Preamble, Chapter 2, Chapter 8 and Chapter 14)

Amendments to the Preamble, and Chapter 2 and Chapter 14 to correct citing of Regulations and to revise Code Updates Section. Amendment to Chapter 2 consequential to the approval and publication of the Structure of Licence Fees applicable from 1 July 2017. Amendment to Chapter 8 to align voltage performance standards with the National Electricity Rules and industry best practice.

September 2015 (amendments to Preamble and Chapter 12)

The Code was amended to align the frequency of the reliability review process with the new section 10B of the *Electricity Supply Industry Act 1995*.

May 2015 (amendments to Preamble, Chapter 9 and Chapter 14)

Chapters 9 and 14 of the Code were updated via ministerial amendment to implement changes to customer protections for Tariff Customers on the Bass Strait Islands.

January 2015 (amendments to Preamble, Chapter 8A and Chapter 14)

The Code was amended to implement changes to fire risk areas, vegetation management practices and the customer obligations mandated in Chapter 8A.

July 2014 (amendments to Preamble, Chapters 1, 2, 6, 8, 9A and 14)

The Code was amended consequent to the introduction of full retail competition in Tasmania on 1 July 2014 to ensure consistency with, and avoid duplication of, the applicable national electricity legislation. Chapters 6 and 9A were deleted in this process.

October 2013 (amendments to Preamble, Chapter 14 and insertion of Chapter 4A)

Chapter 4A was inserted to provide a means of regulating the system operations and network service provision on the Bass Strait Islands.

January 2013 (amendments to Preamble, Chapters 2, 8, 12, and 14)

The Code was amended to implement changes to notice publication, budgeted revenue requirements, and distribution annual planning report publication, and reflect the transition to the National Energy Customer Framework in July 2012.

August 2012 (amendments to Preamble and Chapter 12)

The provisions relating to the reliability review process in Chapter 12 were amended.