Fact Sheet:

Powering a Bright Future

Developer Mains scheme

Issue Date: June 2024

Effective for the 2024-2029 Regulatory Control Period (1 July 2024 – 30 June 2029)

Introduction

TasNetworks operates a Developer Mains (**DM**) scheme (also referred to as a Pioneer scheme).

The DM scheme is a cost sharing arrangement for customers who have funded extension services to connect their premises to the distribution network.

The DM scheme includes any part of the distribution network:

- that necessitated an extension to the distribution network;
- which was installed after 1 July 2017, and has existed for less than seven years;
- for which TasNetworks has:
  - charged a customer for the connection;
  - which was previously part of the connection assets of a single customer;
  - that requires payment of a connection charge greater than the threshold[1] amount, which is $1,398 for 2024-25.

The DM scheme excludes:

- temporary installations[2]
- customer specific assets that new customers will not be using
- augmentation services (unless augmentations services attracted a customer capital contribution).

How is the DM scheme applied?

Original connecting property

- The customer applies for a connection to the distribution network for their property which requires an extension.
- TasNetworks will establish and administer the DM scheme for seven years from the date of the connection being energised.
- The current owners will be advised of the existence of the DM and that they may be entitled to receive a reimbursement for subsequent connections in relation to that property.

New connecting customers

- Any new customers applying for connection services to a part of the network where there is an active DM will be informed:
  - about the relevant DM scheme; and
  - that as a connecting customer, they may be obliged to make reimbursements under an existing DM scheme.
- Any payment made under an existing DM scheme, that amount will be repaid to:

[1] The threshold is indexed annually on 1 July by the Consumer Price Index (CPI).

[2] Per TasNetworks' Distribution Connection Pricing Policy, a temporary installation is defined as "an installation that is intended to exist for a period of less than 12 months."

- the current owner[3] of the premises to which the original customer's works were connected; and
- other currently connected customers[3], as soon as practicable.

The following table outlines specific instances where the scheme is applied:

Scenario	How is DM scheme applied?
An authorised electrical developer builds an extension, and the cost of the extension is unknown to TasNetworks.	TasNetworks will use an estimate of the amount TasNetworks would have charged the original customer to build the extension.
The original customer requested a connection to be constructed to a higher standard or capacity than the least cost technically acceptable standard.	Only the cost of constructing the connection to the least cost technically acceptable standard or capacity will be subject to the scheme.
TasNetworks requires an extension be built to a higher standard or capacity than required by an original customer, other than a real estate developer.	Only the extension necessary for the original customer will be subject to the scheme.
The original customer's works include a distribution line and a substation.	One DM scheme will be established for the distribution line and a separate DM scheme will be established for the substation. Both schemes will operate as described above.

For more information

To find out more visit our website:

https://www.tasnetworks.com.au/Poles-and-wires/Pricing/Regulated-Distribution-Pricing

Alternatively contact us at:

Email: Regulation@tasnetworks.com.au

Phone: 1300 137 008

[3] The current owners may not be the original owners of the premises when the original connection was completed. Where multiple parties constitute the original customer, the repayment must be divided according to the proportions in which they funded the works.

Fact Sheet:

Developer Mains Scheme

Issue Date: June 2024

Effective for the 2024-2029 Regulatory Control Period
(1 July 2024 – 30 June 2029)

Example of a DM scheme contribution calculation

Original development (funded by A)

- Connection date: 07/07/2022
- LV line asset life: 20 years[4]
- Length of line: 0.30 km
- Cost of extension: $12,000
- Demand: 27kVA

Second connection (funded by B)

- Connection date: 07/07/2024 (18 years of asset life remaining)
- Connection position (from network): 0.15 km
- Demand: 18kVA

Item	Equal	Result
Depreciated value of the extension asset	Cost of extension × asset life remaining ÷ asset life	12,000 × 18 ÷ 20 = $10,800
Share of the extension	Length of extension used by Customer B ÷ total length of extension	0.15 ÷ 0.3 = 0.5
Share of demand	Demand required by customer B ÷ total demand required by both customers	18 ÷ (18 + 27) = 0.4
Contribution from B	Depreciated value × share of the extension × share of demand	10,800 × 0.5 × 0.4 = $2,160 (greater than the 2024-25 threshold)
Refund due to A	The contribution from B (as A is the only current customer)	$2,160

[4] Per AER's connection charge guidelines, DNSP should depreciate pioneer scheme extension assets over 20 years using a straight-line depreciation.