

Final decision

AusNet Services, Jemena, CitiPower, Powercor
and United Energy distribution determinations
1 July 2026 – 30 June 2031

**Attachment 17 – Negotiated distribution service
frameworks and criteria**

April 2026

© Commonwealth of Australia 2026

This work is copyright. In addition to any use permitted under the *Copyright Act 1968* all material contained within this work is provided under a Creative Commons Attributions 4.0 Australia licence with the exception of:

- the Commonwealth Coat of Arms
- the ACCC and AER logos
- any illustration diagram, photograph or graphic over which the Australian Competition and Consumer Commission does not hold copyright but which may be part of or contained within this publication.

The details of the relevant licence conditions are available on the Creative Commons website as is the full legal code for the CC BY 4.0 AU licence.

Important notice

The information in this publication is for general guidance only. It does not constitute legal or other professional advice. You should seek legal advice or other professional advice in relation to your particular circumstances.

The AER has made every reasonable effort to provide current and accurate information, but it does not warrant or make any guarantees about the accuracy, currency or completeness of information in this publication.

Parties who wish to re-publish or otherwise use the information in this publication should check the information for currency and accuracy prior to publication.

Inquiries about this publication should be addressed to:

Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601
Email: aerinquiry@aer.gov.au
Tel: 1300 585 165

AER reference: AER23008246 - AER23008250

Amendment record

Version	Date	Pages
1	30 April 2026	16

Contents

17	Negotiated distribution service frameworks and criteria	1
17.1	Final decision	1
17.2	Assessment approach	2
17.3	Reasons for final decision	3
	Shortened forms	10
A	Negotiated distribution service criteria	11
A.1	National Electricity Objective	11
A.2	Negotiations to be timely and in good faith	11
A.3	Criteria for terms and conditions of access	11
A.4	Criteria for access charges	13

17 Negotiated distribution service frameworks and criteria

AusNet, Jemena, CitiPower, Powercor and United Energy each provide a range of distribution services that we classify as direct control services.¹ The revenue recoverable from direct control services is subject to our distribution determination and annual pricing approval processes.

We do not, however, set revenue, prices, or terms and conditions for negotiated distribution services.² Where Distribution Network Service Providers (DNSPs) do offer negotiated distribution services, they are instead subject to:

- a Negotiating Framework,³ which each DNSP has submitted for our approval as part of its proposal.
- Negotiated Distribution Service Criteria⁴ (NDSC), which we have proposed and consulted on in conjunction with DNSPs' proposals and our draft decisions.⁵

The approved negotiating frameworks and criteria will inform negotiation of terms and conditions of access to any negotiated distribution services and will apply to dispute resolution processes for negotiated distribution services under the NER.

17.1 Final decision

Our final decisions are that:

- The NDSC set out in Appendix A to this attachment will apply for the 2026-31 period.⁶
- The Negotiating Frameworks published as Appendix 17B to this attachment for each DNSP will apply for the 2026-31 period.⁷ For CitiPower, Powercor and United Energy, these are the Negotiating Frameworks as proposed by those DNSPs. For AusNet and Jemena, the approved Negotiating Frameworks are variants of the Negotiating Frameworks put forward by DNSPs in their revised proposals. In response to stakeholder submissions on our draft decisions and their revised proposals,⁸ amendments have been agreed by AusNet to further align expected timeframes for

¹ NEL, s. 2B. A direct control service is an electricity network service the price of which or the revenue earned from which must be regulated under a distribution determination or transmission determination.

² NEL, s. 2C. An electricity network service that is not a direct control service and that the NER or the AER (in a distribution determination or transmission determination) specify is a negotiated network service.

³ NER, cl. 6.7.5. Under clause 6.12.1(o) of the NER, as part of each distribution determination, we are required to decide the Negotiating Framework to apply to the relevant network.

⁴ NER, cl. 6.7.4.

⁵ Under clause 6.12.1(p) of the NER, as part of each distribution determination, we are required to decide the Negotiated Distribution Service Criteria to apply to the relevant network.

⁶ NER, cl. 6.12.1(p).

⁷ NER, cl. 6.12.1(o).

⁸ NER, cl. 6.12.3(h).

negotiations, and by Jemena to offer its own dispute resolution process as a precursor to any access dispute raised with the AER.

The Negotiating Frameworks and NDSC approved as part of our determinations apply to all services that have been classified as negotiated distribution services, including the new distribution asset rental service for Electric Vehicle Charging Infrastructure (EVCI) and CPU's new Hot Water Switching Service (HWSS).

For the avoidance of doubt, the Negotiating Frameworks and NDSC approved as part of our determinations do not apply to standard control or alternative control services, including standard control 'Negotiated connection services'.

17.2 Assessment approach

In each electricity determination, we must decide on the Negotiating Framework and NDSC that will apply for the relevant control period. These components of our decision are technically required even where no services provided by the distributor have been classified as negotiated distribution services.

The **Negotiating Framework** sets out the procedure to be followed during negotiations between the distributor and any person who wishes to receive a negotiated distribution service from the distributor, as to the terms and conditions of access for the provision of the service. It is developed and proposed by the distributor. We must either accept the proposed framework or replace it with an amended one.⁹

The framework must set out the procedure to be followed during negotiations between the distributor and any person who wishes to receive a negotiated distribution service from the distributor, as to the terms and conditions of access for the provision of the service. It must meet the minimum requirements set out in clause 6.7.5 of the NER.

We must approve a proposed negotiating framework if we are satisfied that it adequately complies with the requirements of the NER.¹⁰ If we are not satisfied, and we refuse to approve the proposed negotiating framework, any changes we make must be determined on the basis of the DNSP's proposed negotiating framework and amended from that basis only to the extent necessary to enable it to be approved in accordance with the NER.¹¹

Clause 6.7.3 of the NER also requires our determination on the negotiating framework to set out requirements that are to be complied with in respect of the preparation, replacement, application or operation of the negotiating framework. We look first to see if the framework proposed by the distributor addresses this. Where it does not, we will address this as part of our draft and final decisions.

The **NDSC** are principles that guide negotiations and outcomes, and must be applied:¹²

- by the provider in negotiating terms and conditions of access including:

⁹ NER, cl. 6.12.1(o).

¹⁰ NER, cl. 6.12.3(g).

¹¹ NER, cl. 6.12.3(h).

¹² NER, cl. 6.7.4(a).

- the prices that are to be charged for the provision of negotiated distribution services by the provider for the relevant regulatory control period; or
- any access charges which are negotiated by the provider during that regulatory control period; and
- by the AER in resolving an access dispute about terms and conditions of access including:
 - the price that is to be charged for the provision of a negotiated distribution service by the provider; or
 - any access charges that are to be paid to or by the provider.

While the Negotiating Framework is proposed by the distributor, and forms part of its regulatory proposal, the NDSC are determined by the AER. The NDSC must give effect to and be consistent with the Negotiated Distribution Service Principles set out in clause 6.7.1 of the NER.

We publish our proposed NDSC for consultation at the same time as the distributor's proposal, from which point they are subject to the same consultation and decision-making process as other parts of our determination. In our draft and final decisions, we must confirm what NDSC will apply and may replace those we initially proposed with amended ones considering any issues raised in submissions or revised proposals.¹³

17.3 Reasons for final decision

Considering the new, negotiated distribution asset rental service for EV charging, our draft decisions proposed several new NDSC to signal how we might view matters in the event of a dispute.

Revised proposals have accepted, or not commented on, these changes. Our final decision does not make any further changes to the NDSC.

For the reasons set out in Attachment 17 to our draft decisions, we considered each Negotiating Framework adequately complied with the requirements of the NER. However, we encouraged Victorian DNSPs to consider greater alignment of their Negotiating Frameworks. This is something we considered would benefit those seeking access to negotiated distribution services. In revised proposals:

- All five DNSPs have specified consistent timeframes for commencement and conclusion of negotiations.
- All five DNSPs have committed to publication of a quarterly summary of concluded negotiations, whether concluded by way of an agreed outcome or terminated (e.g. where a service applicant elects not to proceed). These summaries will be prepared in accordance with applicable confidentiality requirements to enable transparency without compromising sensitive information

¹³ NER, cl. 6.12.1(p).

- All five DNSPs have identified an internal process for dispute resolution as a precursor to an access dispute under the NEL and NER and provided clear direction to NEL and NER provisions setting out the process for resolution of disputes by the AER.

We received three submissions on these elements of the draft decisions and revised proposals, from the Victorian Government, AGL and NEXA Advisory. Suggestions made in those submissions, and the way this final decision seeks to address them, are summarised in Table 17-1.

Table 17-1 Submissions and responses.

Question raised in submissions	Responses														
<p>Can negotiation timeframes be made consistent across networks? (AGL)</p>	<p>Revised proposals now include consistent timeframes for making an offer after all necessary information has been received, and for concluding negotiations after an offer is made. Both DNSPs and Service Applicants must negotiate in good faith¹⁴ and make reasonable endeavours to adhere to the specified time limits.¹⁵</p> <p>Actual timeframes for negotiations will be dependent on the time taken by each party to provide the other with all commercial information they may reasonably require to engage in effective negotiation for the provision of the relevant service. This may vary depending on the novelty or complexity of an application.</p> <table border="1" data-bbox="502 1041 1369 1608"> <thead> <tr> <th data-bbox="502 1041 826 1102">Milestone</th> <th data-bbox="826 1041 1369 1102">Timeframe in Negotiating Frameworks</th> </tr> </thead> <tbody> <tr> <td data-bbox="502 1102 826 1164">Application</td> <td data-bbox="826 1102 1369 1164">X</td> </tr> <tr> <td data-bbox="502 1164 826 1258">Exchange of commercial information¹⁶</td> <td data-bbox="826 1164 1369 1258">X + 25 business days</td> </tr> <tr> <td data-bbox="502 1258 826 1391">Consultation by DNSP with impacted users/AEMO¹⁷</td> <td data-bbox="826 1258 1369 1391">X + 45 business days</td> </tr> <tr> <td data-bbox="502 1391 826 1485">All required information received</td> <td data-bbox="826 1391 1369 1485">Y</td> </tr> <tr> <td data-bbox="502 1485 826 1547">DNSP makes offer</td> <td data-bbox="826 1485 1369 1547">Y + 20 business days</td> </tr> <tr> <td data-bbox="502 1547 826 1608">Negotiations conclude</td> <td data-bbox="826 1547 1369 1608">Y+ 80 business days.</td> </tr> </tbody> </table>	Milestone	Timeframe in Negotiating Frameworks	Application	X	Exchange of commercial information ¹⁶	X + 25 business days	Consultation by DNSP with impacted users/AEMO ¹⁷	X + 45 business days	All required information received	Y	DNSP makes offer	Y + 20 business days	Negotiations conclude	Y+ 80 business days.
Milestone	Timeframe in Negotiating Frameworks														
Application	X														
Exchange of commercial information ¹⁶	X + 25 business days														
Consultation by DNSP with impacted users/AEMO ¹⁷	X + 45 business days														
All required information received	Y														
DNSP makes offer	Y + 20 business days														
Negotiations conclude	Y+ 80 business days.														
<p>Can negotiation processes for distribution asset rental for EVCI and network connections</p>	<p>We are not aware of anything that would prevent a service applicant from submitting applications for both services concurrently.</p>														

¹⁴ NER, cl. 6.7.5(c)(1).

¹⁵ NER, cl. 6.7.5(c)(5).

¹⁶ NER cl. 6.7.5(c)(2), (3), (4).

¹⁷ NER cl. 6.7.5(c)(8), (9).

Question raised in submissions	Responses
be undertaken concurrently? (AGL)	
Can DNSPs be required to publish negotiation procedures for distribution asset rental for EVCI? (AGL, Victorian Government)	<p>The Negotiating Frameworks approved as part of our determinations set out the procedure to be followed during negotiations between the DNSP and any person (the Service Applicant or applicant) who wishes to receive a negotiated distribution service from the DNSP, as to the terms and conditions of access for the provision of the service.</p> <p>In addition to timeframes for negotiation, these include requirements that both the DNSP and the Service Applicant negotiate in good faith, and that each provides the other all commercial information they may reasonably require to enable them to engage in effective negotiation for the provision of the negotiated distribution service.</p> <p>The same Negotiating Framework applies to all negotiated distribution services including the new distribution asset rental service for EVCI.</p> <p>DNSPs will publish approved Negotiating Frameworks on their websites.</p>
Can DNSPs be required to publish negotiation procedures for EVCI <i>network connections</i> ? (AGL, NEXA Advisory)	<p>For connection services, the application process¹⁸ and negotiation framework¹⁹ are prescribed directly by the NER. DNSPs are required to publish relevant information on their websites under both the NER and the Essential Services Commission of Victoria’s Electricity Distribution Code of Practice.²⁰</p> <p>Again, the same obligations apply to all connections, including EVCI connections.</p>
Can the AER require DNSPs to publish indicative pricing for negotiated distribution services? (NEXA Advisory)	<p>The AER cannot require DNSPs to publish indicative pricing for negotiated distribution services, but DNSPs could choose to publish indicative pricing of their own volition. We see advantages in this where it can support service applicants in their consideration of, and applications for, negotiated distribution services.</p> <p>The Negotiated Distribution Service Principles set out in cl. 6.7.1 of the NER, and the NDSC set out in Appendix A to this attachment, include a series of pricing principles for negotiated distribution services that must be applied:</p> <ul style="list-style-type: none"> • by the provider in negotiating terms and conditions of access including: <ul style="list-style-type: none"> – the prices that are to be charged for the provision of negotiated distribution services by the provider for the relevant regulatory control period; or – any access charges which are negotiated by the provider during that regulatory control period; and

¹⁸ NER, cl. 5A.D.3.

¹⁹ NER, cl. 5A.C.3.

²⁰ Essential Services Commission Victoria, Electricity Distribution Code of Practice (Version 3), 1 January 2026, < <https://www.esc.vic.gov.au/electricity-and-gas/codes-guidelines-and-policies/electricity-distribution-code-practice> >

Question raised in submissions	Responses
	<ul style="list-style-type: none"> • by the AER in resolving an access dispute about terms and conditions of access including: <ul style="list-style-type: none"> – the price that is to be charged for the provision of a negotiated distribution service by the provider; or – any access charges that are to be paid to or by the provider. <p>We encourage DNSPs to provide as much transparency over pricing for negotiated distribution services as possible. However, adherence to and departures from any indicative prices published by a DNSP would not be determinative in our consideration of a dispute (particularly given they would not be subject to AER approval).</p>
<p>Can the AER require DNSPs to publish standardised terms and conditions for negotiated distribution services? (Victorian Government)</p>	<p>The AER cannot require DNSPs to publish standardised terms and conditions for negotiated distribution services but DNSPs could choose to do so of their own volition. As with indicative pricing, we see advantages in this where it can support service applicants in their consideration of, and applications for, negotiated distribution services. Model terms could provide a useful starting point to negotiation of terms and conditions of access.</p> <p>In addition to pricing related principles, the Negotiated Distribution Service Principles set out in cl. 6.7.1 of the NER, and the NDSC set out in Appendix A to this attachment, include a series of principle for negotiated distribution services that must be applied:</p> <ul style="list-style-type: none"> • by the provider in negotiating terms and conditions of access including: <ul style="list-style-type: none"> – the prices that are to be charged for the provision of negotiated distribution services by the provider for the relevant regulatory control period; or – any access charges which are negotiated by the provider during that regulatory control period; and • by the AER in resolving an access dispute about terms and conditions of access including: <ul style="list-style-type: none"> – the price that is to be charged for the provision of a negotiated distribution service by the provider; or – any access charges that are to be paid to or by the provider. <p>These principles include that:</p> <ul style="list-style-type: none"> • the terms and conditions of access for a negotiated distribution service should be fair and reasonable and consistent with the safe and reliable operation of the power system in accordance with the Rules • the terms and conditions of access for a negotiated distribution service (including any exclusions and limitations of liability and indemnities) must not be unreasonably onerous taking into account the allocation of risk between the DNSP and the other party, the price for the negotiated distribution service and the costs to the DNSP of providing the negotiated distribution service.

Question raised in submissions	Responses
	<p>Again, adherence to and departures from any standardised terms published by a DNSP would not be determinative in our consideration of a dispute (particularly given they would not be subject to AER approval) .</p>
<p>Can our determination specify the information to be included in DNSPs’ reports on negotiation outcomes - for example, a breakdown of fees charged to unrelated parties, number of successful / unsuccessful applications, and average connection (sic) timeframes. (AGL, Victorian Government)</p>	<p>All Victorian DNSPs have included in their Negotiating Frameworks a commitment to publish, at the conclusion of negotiations with a Service Applicant (whether by way of an agreed outcome or termination in accordance with this negotiating framework), a quarterly summary of those results.</p> <p>Our expectation is that these summaries:</p> <ul style="list-style-type: none"> • Will include, at a minimum: <ul style="list-style-type: none"> – The number of applications received, and number of applications concluded, in the reporting period. – The number of applications that resulted in an agreement for provision of negotiated distribution services and the number that did not. • Will be published within one month of the end of the reporting period (e.g. a report for July-September 2026 would be published by end October 2026). <p>Given target negotiation timeframes provided in Negotiating Frameworks exceed one quarter, it is likely that some quarterly reports will include more activity than others.</p> <p>We understand the interest in publication of average negotiation timeframes and in fees charged to unrelated parties (the latter we assume is of greatest interest in respect of CPU, who is currently permitted to provide EVCI itself under a ring-fencing waiver).</p> <p>However, providing this information in a de-identified way so as not to require DNSPs to disclose outcomes negotiated by individual service applicants is likely to prove challenging in respect of a new service, for which the number of service applicants (and applications) may initially be small.</p> <p>This level of granularity in reporting may become more workable, and less commercially sensitive, over time as the market matures and the number of applications grows, so that publication of outcomes in an aggregated and de-identified way presents less risk of inadvertent disclosure.</p> <p>This is something we will monitor with a view to additional reporting over time.</p>
<p>Can the AER require DNSPs to publish standardised terms and conditions for <u>EVCI connection services</u>? (NEXA Advisory)</p>	<p>The AER cannot require DNSPs to publish standardised terms and conditions for EVCI connection services.</p> <p>This requirement only exists for ‘basic connection services’—those related to a connection (or a proposed connection) between a distribution system and a retail customer’s premises (excluding a non-registered DER provider’s premises) in the following circumstances:</p>

Question raised in submissions	Responses
	<ul style="list-style-type: none"> • either: <ul style="list-style-type: none"> – the retail customer is typical of a significant class of retail customers who have sought, or are likely to seek, the service; or – the retail customer is, or proposes to become, a micro resource operator; and • the provision of the service involves minimal or no augmentation of the distribution network. <p>In Victoria, basic connection services are classified as alternative control services and are subject to a price cap under our distribution determinations. Model standing offers have been approved for all Victorian DNSPs. Depending on the nature of the connection application, those model standing offers for basic connection services may be available to applicants seeking to connect EVCI.</p> <p>Where this is not the case, if, during the 2026-31 period, commercial EVCI providers emerge as a significant class of retail customers who have sought, or are likely to seek, a basic connection service that meets the requirements above, DNSPs may be required to submit a model standing offer for that purpose to the AER for approval.</p> <p>DNSPs may also choose to submit a model standing offer for standard connection services—services other than a basic connection service for a particular class (or sub-class) of connection applicant—to the AER for approval. In Victoria, standard connection services are classified as standard control services and subject to the AER’s Connection Charging Guideline.</p> <p>DNSPs are not required to publish standardised terms and conditions for Negotiated connection services (those that are neither basic nor standard connection services). However, in Victoria Negotiated connection services are classified as standard control services and subject to the AER’s Connection Charging Guideline.</p>

The outcomes above reflect the extent of the AER’s discretion in making decisions on the negotiating frameworks that are to apply to DNSPs for the 2026-31 regulatory control period. This is narrower than the discretion available to us in considering conditions applicable under a ring-fencing waiver such as that granted to CPU in October 2025. AusNet and Jemena have not applied for such waivers.

They also reflect the differences between the NER framework for negotiated distribution services (as it would apply to distribution asset rental for EVCI from 1 July 2026) and the framework already in place under the NER for connection services, which are standard control and alternative control services.

17.3.1 CPU’s Hot Water Switching Service

Our final decision classifies a new ‘Hot Water Switching Service’ (HWSS) as a negotiated distribution service, for CPU only:²¹

Services provided by [CitiPower, Powercor or United Energy] to Third Parties such as retailers, aggregators, and Virtual Power Plants at the direction of that Third Party, to manage when the Third Party’s customers’ hot water services can heat.

CitiPower, Powercor or United Energy will not provide these services directly to end users of their networks.

We did not receive any submissions on the suitability of CPU’s proposed Negotiating Frameworks or the NDSC set out in our draft decision in the context of the HWSS.

The NER provides that negotiation of prices, terms and conditions for negotiated distribution services are between the service applicant (the person asking the DNSP for access to the negotiated distribution service²²) and the DNSP. In the case of the HWSS, the service applicant would be the retailer, aggregator, or VPP rather than end users of the distribution network. The same principles and requirements would nonetheless apply.

Similarly, the NER provides recourse to the AER for resolution of disputes between DNSPs and service applicants as to the terms and conditions of access to a negotiated distribution service.²³

Our final decision amends CPU’s proposed Negotiating Framework to make it clear that end users purchasing products from intermediaries such as retailers, aggregators and VPPs will not have recourse to the access dispute regime under the NER, because they are not themselves ‘service applicants’ in respect of the HWSS.

These amendments can be found in sections 1 and 9 of CPU’s Negotiating Frameworks.

²¹ AusNet and Jemena did not propose such a service.

²² NER, Chapter 10: Glossary

²³ NER, r. 6.22.

Shortened forms

Term	Definition
AER	Australian Energy Regulator
DNSP	Distribution Network Service Provider
EVCI	Electric Vehicle Charging Infrastructure
HWSS	Hot Water Switching Service
NDSC	Negotiated Distribution Service Criteria
NEL	National Electricity Law
NEO	National Electricity Objective
NER	National Electricity Rules

A Negotiated distribution service criteria

A.1 National Electricity Objective

1. The terms and conditions of access for a negotiated distribution service, including the price that is to be charged for the provision of that service and any access charges, should promote the achievement of the national electricity objective.²⁴

A.2 Negotiations to be timely and in good faith

2. Negotiation of prices, access charges and terms and conditions must be conducted in good faith and commenced and finalised in fair and reasonable timeframes and without undue delay.²⁵

A.3 Criteria for terms and conditions of access

A.3.1 Terms and conditions of access

3. The terms and conditions of access for a negotiated distribution service must be fair and reasonable and consistent with the safe and reliable operation of the power system in accordance with the NER.²⁶
4. The terms and conditions of access for a negotiated distribution service (including in particular any exclusions and limitations of liability and indemnities) must not be unreasonably onerous taking into account the allocation of risk between a distributor and any other party, the price for the negotiated distribution service and the costs to a distributor of providing the negotiated distribution service.²⁷
5. The terms and conditions of access for a negotiated distribution service should take into account the need for the service to be provided in a manner that does not adversely affect the safe and reliable operation of the power system in accordance with the NER.²⁸

A.3.2 Price of services

6. The price for a negotiated distribution service includes any package of prices charged in respect of the service, including but not limited to arrangements for payment of the DNSP's reasonable direct expenses incurred in processing the application to provide the negotiated distribution service.²⁹
7. The price for a negotiated distribution service should reflect the prudent and efficient costs that a distributor has incurred or incurs in providing that service and must be determined in accordance with the principles and policies set out in the relevant cost allocation method.³⁰

²⁴ NEL, s. 7.

²⁵ NER, cl. 6.7.5(c)(1), (5).

²⁶ NER, cl. 6.7.1(i).

²⁷ NER, cl. 6.7.1(j).

²⁸ NER, cl. 6.7.1(k).

²⁹ NER, cl. 6.7.5(c)(7).

³⁰ NER, cl. 6.7.1(a).

8. The price for a negotiated distribution should not include costs already recovered or recoverable under direct control services or unregulated services.³¹
9. Subject to criteria 10 and 11, the price for a negotiated distribution service should be at least equal to the cost that would be avoided by not providing that service but no more than the cost of providing it on a stand-alone basis.³²
10. If a negotiated distribution service is a shared distribution service that:
 - a) exceeds any network performance requirements which it is required to meet under any relevant electricity legislation, or
 - b) exceeds the network performance requirements set out in schedules 5.1a and 5.1 of the NER,then the differential between the price for that service and the price for the shared distribution service which meets the network performance requirements under any jurisdictional electricity legislation or as set out in schedules 5.1a and 5.1 (as the case may be) should reflect the increase in the distributor's incremental cost of providing that service.³³
11. If a negotiated distribution service is the provision of a shared distribution service that does not meet or exceed the network performance requirements, the differential between the price for that service and the price for the shared distribution service which meets, but does not exceed, the network performance requirements should reflect the cost a distributor would avoid by not providing that service (as appropriate).³⁴
12. The price for a negotiated distribution service must be the same for all distribution network users unless there is a material difference in the costs of providing the negotiated distribution service to different distribution network users or classes of distribution network users.³⁵
13. The price for a negotiated distribution service should be subject to adjustment over time to the extent that the assets used to provide that service are subsequently used to provide services to another person, in which case such adjustment must reflect the extent to which the costs of that asset are being recovered through charges to that other person.³⁶
14. The price for a negotiated distribution service should be such as to enable a distributor to recover the efficient costs of complying with all regulatory obligations or requirements associated with the provision of the negotiated distribution service.³⁷

³¹ NER, cl. 6.15.2 (Cost allocation principles); [AER distribution cost allocation guidelines and Victorian guidelines - 26 June 2008](#).

³² NER, cl. 6.7.1(b).

³³ NER, cl. 6.7.1(c).

³⁴ NER, cl. 6.7.1(d).

³⁵ NER, cl. 6.7.1(e).

³⁶ NER, cl. 6.7.1(f).

³⁷ NER, cl. 6.7.1(g).

A.4 Criteria for access charges

A.4.1 Access Charges³⁸

15. In respect of providing distribution network user access to negotiated distribution services, which would have been negotiated distribution services regardless of the operation of clause 6.24.2(c), these should be based on the costs reasonably incurred by the distributor in providing that access and, in the case of compensation referred to in clauses 5.3AA(f)(4)(ii) and (iii), on the revenue that is likely to be foregone and the costs that are likely to be incurred by a person referred to in those provisions where an event referred to in those provisions occurs;³⁹ and
16. For the declared transmission system of an adoptive jurisdiction, in respect of providing transmission network user access to negotiated distribution services which would have been treated as negotiated transmission services were it not for the operation of clause 6.24.2(c) should be based on the costs reasonably incurred by the distributor in providing that access and, in the case of compensation referred to in clauses 5.4A(h) - (j) (as preserved under clause 11.98.8(a)(2)), on the revenue that is likely to be foregone and the costs that are likely to be incurred by a person referred to in those provisions where an event referred to in those provisions occurs.⁴⁰

³⁸ An access charge for a DNSP, in respect of negotiated distribution services which would have been negotiated distribution services regardless of the operation of cl. 6.24.2(c) of the NER (dual function assets), is an amount described in r. 5.3AA(f)(4) of the NER and payable by a connection applicant.

³⁹ NER, cl. 6.7.1(h)(1)

⁴⁰ NER, cl. 6.7.1(h)(2).