



FINAL DECISION
Jemena distribution
determination
2016 to 2020

Attachment 17 – Negotiated
services framework and criteria

May 2016

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Note

This attachment forms part of the AER's final decision on Jemena's distribution determination for 2016–20. It should be read with all other parts of the final decision.

The final decision includes the following documents:

Overview

Attachment 1 - Annual revenue requirement

Attachment 2 - Regulatory asset base

Attachment 3 - Rate of return

Attachment 4 - Value of imputation credits

Attachment 5 - Regulatory depreciation

Attachment 6 - Capital expenditure

Attachment 7 - Operating expenditure

Attachment 8 - Corporate income tax

Attachment 9 - Efficiency benefit sharing scheme

Attachment 10 - Capital expenditure sharing scheme

Attachment 11 - Service target performance incentive scheme

Attachment 12 - Demand management incentive scheme

Attachment 13 - Classification of services

Attachment 14 - Control mechanism

Attachment 15 - Pass through events

Attachment 16 - Alternative control services

Attachment 17 - Negotiated services framework and criteria

Attachment 18 - f-factor scheme

Contents

Note	17-2
Contents	17-3
Shortened forms	17-4
17 Negotiated services framework and criteria	17-6
17.1 Final decision	17-6
17.2 AER’s assessment approach	17-7
17.3 Reasons for final decision	17-7

Shortened forms

Shortened form	Extended form
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
AMI	advanced metering infrastructure
augex	augmentation expenditure
capex	capital expenditure
CCP	Consumer Challenge Panel
CESS	capital expenditure sharing scheme
CPI	consumer price index
DRP	debt risk premium
DMIA	demand management innovation allowance
DMIS	demand management incentive scheme
distributor	distribution network service provider
DUoS	distribution use of system
EBSS	efficiency benefit sharing scheme
ERP	equity risk premium
Expenditure Assessment Guideline	Expenditure Forecast Assessment Guideline for electricity distribution
F&A	framework and approach
MRP	market risk premium
NEL	national electricity law
NEM	national electricity market
NEO	national electricity objective
NER	national electricity rules
NSP	network service provider
opex	operating expenditure
PPI	partial performance indicators
PTRM	post-tax revenue model
RAB	regulatory asset base
RBA	Reserve Bank of Australia
repex	replacement expenditure

Shortened form	Extended form
RFM	roll forward model
RIN	regulatory information notice
RPP	revenue and pricing principles
SAIDI	system average interruption duration index
SAIFI	system average interruption frequency index
SLCAPM	Sharpe-Lintner capital asset pricing model
STPIS	service target performance incentive scheme
WACC	weighted average cost of capital

17 Negotiated services framework and criteria

The NER require us to make constituent decisions on:

- the negotiating framework that is to apply to Jemena (which may be as proposed by the distributor, some variant of it, or a framework substituted by us),¹ and
- a decision on the negotiated distribution service criteria (NDSC) for the distributor.²

Jemena submitted an amended negotiating framework as part of its revised regulatory proposal for our consideration.³

The NDSC set out criteria that a distributor must apply in negotiating terms and conditions including the prices for negotiated distribution services. They also contain the criteria that a commercial arbitrator must apply to resolve disputes about such terms and conditions and/or prices. This section sets out our final decision on Jemena's negotiating framework and NDSC.

17.1 Final decision

Negotiating framework

In our preliminary decision, we proposed a variation to Jemena's negotiating framework for the 2016–20 regulatory control period.⁴ Specifically, our preliminary decision was to:

- amend section 6 of Jemena's negotiating framework to refer to Part L of Chapter 6 of the NER rather than Chapter 8 of the NER⁵
- otherwise adopt Jemena's proposed negotiating framework.

Jemena's revised proposed negotiating framework for the 2016–20 regulatory control period adopts the variation set out in our preliminary decision in full. Therefore, our final decision is to accept Jemena's revised proposed negotiating framework⁶ as set out in appendix A.

¹ NER, cl. 6.12.1(15).

² NER, cl. 6.12.1(16).

³ Jemena, *Revised revenue proposal* at p. 62 and *Attachment 10.05, Revised negotiating framework*, January 2016.

⁴ NER, cl. 6.12.1(15).

⁵ To comply with NER, cl. 6.7.5(c)(6) and refer to the correct dispute resolution provisions under the NER.

⁶ Jemena, *Revised revenue proposal, attachment 10.05, Revised negotiating framework*, January 2016.

Negotiated distribution service criteria

Our final decision is to retain the NDSC that we published for Jemena in May 2015⁷ for the 2016–20 regulatory control period. The NDSC give effect to the negotiated distribution service principles.⁸

17.2 AER's assessment approach

Negotiating framework

To be approved, a proposed negotiating framework must specify the obligations in clause 6.7.5(c) of the NER. We examined whether Jemena's proposed negotiating framework has done that.

Negotiated distribution services criteria

We consider NDSC that reflect the negotiated distribution service principles would satisfy the NER. Therefore we assessed whether our proposed NDSC reflect the negotiated distribution service principles in clause 6.7.1 of the NER.

17.3 Reasons for final decision

Negotiating framework

We approve Jemena's revised proposed negotiating framework because it specifies the minimum requirements of the NER.⁹ A negotiating framework must specify a number of minimum requirements set out in the NER. Those requirements include, among other things, a statement that a distributor will negotiate in good faith and a process for dealing with disputes.

Table 17.1 summarises our assessment of Jemena's revised proposed negotiating framework. It indicates where in Jemena's negotiating framework the relevant NER requirements are addressed. Our view is that each of the NER requirements for a negotiated framework is satisfactorily addressed.

⁷ AER, *Proposed Negotiated Distribution Service Criteria for Victorian distributors – period commencing 1 January 2016*, May 2015.

⁸ NER, cl. 6.7.1.

⁹ NER, cl. 6.7.5(c).

Table 17.1 AER's assessment of Jemena's revised proposed negotiating framework

NER requirements	Requirement addressed in Jemena's negotiating framework
Requirement for a distributor and applicant ¹⁰ to negotiate in good faith— cl. 6.7.5(c)(1)	Section 1.5 of Jemena's framework
Requirement for a distributor to provide all such commercial information reasonably required to enable the applicant of a negotiated distribution service to engage in effective negotiations— cl. 6.7.5(c)(2)	Section 4 of Jemena's framework
Requirement for a distributor to identify and inform the applicant of the reasonable costs of providing the negotiated service; demonstrate the charges reflect costs and have appropriate arrangements for assessment and review of the charges and the basis on which they are made— cl. 6.7.5(c)(3)	Section 4 of Jemena's framework
Requirement for the applicant to provide all such commercial information reasonably required for a distributor to engage in effective negotiation— cl. 6.7.5(c)(4)	Section 3.1 of Jemena's framework
Requirement to specify a reasonable period of time for commencing, progressing and finalising negotiations; and a requirement for each party to use their reasonable endeavours to adhere to those time periods during the negotiation— cl. 6.7.5(c)(5)	Section 2 of Jemena's framework
Requirement to specify a process for dispute resolution in accordance with the relevant provisions for dispute resolution— cl. 6.7.5(c)(6)	Section 10 of Jemena's framework
Requirements to specify arrangements for the payment of a distributor's reasonable direct expenses incurred in processing the application to provide the negotiated distribution service— cl. 6.7.5(c)(7)	Section 7 of Jemena's framework
Requirement for a distributor to determine the potential impact of the provision of a negotiated distribution service on other distribution network users— cl. 6.7.5(c)(8)	Section 6 of Jemena's framework
Requirement for a distributor to notify and consult with any affected distribution network user and ensure that the provision of the negotiation distribution service does not result in noncompliance with obligations in relation to other network users under the NER— cl. 6.7.5(c)(9)	Section 6 of Jemena's framework
Requirement that the distributor publish the results of negotiations on its website – cl. 6.7.5(c)(10)	Section 9 of Jemena's framework

Source: AER analysis.

Negotiated distribution services criteria

In May 2015, we published an invitation for submissions on our proposed NDSC for the Victorian distributors including Jemena. We did not receive any submissions in response to our proposed NDSC. The NDSC we have decided to apply to Jemena follow:

¹⁰ An applicant or service applicant is the person who wishes to receive a negotiated distribution service. NER, ch. 10.

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.

Criteria for terms and conditions of access

Terms and Conditions of Access

2. 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.
3. 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.
4. The terms and conditions of access for a negotiated distribution service must 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.

Price of Services

5. The price for a negotiated distribution service must reflect the 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.
6. Subject to criteria 7 and 8, the price for a negotiated distribution service must 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.
7. If a negotiated distribution service is a shared distribution service that:
 - i. exceeds any network performance requirements which it is required to meet under any relevant electricity legislation: or
 - ii. exceeds the network performance requirements set out in schedule 5.1a and 5.1 of the NER,

then the difference between the price for that service and the price for the shared distribution service which meets network performance requirements must reflect a distributor's incremental cost of providing that service (as appropriate).

8. If a negotiated distribution service is the provision of a shared distribution service that does not meet or exceed the network performance requirements, the difference 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).

9. 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.
10. The price for a negotiated distribution service must 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.
11. The price for a negotiated distribution service must be such as to enable a DNSP to recover the efficient costs of complying with all regulatory obligations or requirements associated with the provision of the negotiated service.

Criteria for access charges

Access Charges

12. Any charges must be based on costs reasonably incurred by a distributor in providing distribution network user access, and, in the case of compensation referred to in clauses 5.5(f)(4)(ii) and (iii) of the NER, 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 (as appropriate).
13. Any charges must be based on costs reasonably incurred by a distributor in providing transmission network user access to services deemed to be negotiated distribution services by clause 6.24.2(c) of the NER, and, in the case of compensation referred to in clauses 5.4A(h) to (j) of the NER, 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 (as appropriate).

This attachment therefore sets out our constituent decisions on the negotiating framework and NDSC to apply to Jemena for the 2016–20 regulatory control period.

A Jemena's negotiating framework

Jemena Electricity Networks (Vic) Ltd

**2016-20 Electricity Distribution Price Review
Regulatory Proposal**

Revocation and substitution submission

Attachment 10-5 Revised Negotiating Framework

Public

6 January 2016



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TABLE OF CONTENTS

1.	Application of negotiating framework	1
1.1	Who the negotiating framework applies to.....	1
1.2	Obligation to comply.....	1
1.3	Interaction with other regulatory instruments	1
1.4	No obligation to provide service.....	1
1.5	Obligation to negotiate in good faith.....	1
2.	Timeframes	1
2.1	Commencing, progressing and finalising negotiations.....	1
2.2	Suspension of timeframes.....	3
3.	Provision of commercial information by service applicant	3
3.1	Obligation to provide commercial information.....	3
3.2	Obligation to provide additional commercial information.....	3
3.3	Confidentiality requirements.....	3
4.	Provision of commercial information by JEN	4
4.1	Obligation to provide commercial information (including cost information).....	4
4.2	Confidentiality requirements.....	4
5.	Pricing principles	4
6.	Consultation with affected parties	5
6.1	JEN to determine potential impact on Distribution Network Users.....	5
6.2	JEN to notify and consult.....	5
7.	Payment of JEN's Costs	5
7.1	Application fee.....	5
7.2	Direct Costs.....	5
8.	Termination of negotiations	5
8.1	Termination by Service Applicant.....	5
8.2	Termination by JEN.....	6
9.	Publication of results of negotiation	6
9.1	JEN to publish results.....	6
9.2	Form of publication.....	6
10.	Dispute resolution	6
11.	Giving notices	6
11.1	Address for notices.....	6
11.2	Time notice is given.....	7
12.	Terms & abbreviations	8
12.1	Definitions.....	8
12.2	Interpretation.....	10

List of tables

Table 2-1: Timeframe for negotiating negotiated distribution services.....	2
Table 12-1: Definitions.....	8

1. APPLICATION OF NEGOTIATING FRAMEWORK

A number of distribution services are classified as Negotiated Distribution Services for which Jemena Electricity Networks Vic Ltd (JEN) must negotiate in good faith with Service Applicants to provide the services on fair and reasonable terms.

This document sets out JEN's negotiating framework for this purpose.

1.1 WHO THE NEGOTIATING FRAMEWORK APPLIES TO

This negotiating framework applies to JEN and each Service Applicant who has applied in writing to JEN for the provision of a Negotiated Distribution Service.

1.2 OBLIGATION TO COMPLY

JEN and any Service Applicant who wishes to receive a Negotiated Distribution Service from JEN must comply with the requirements of this negotiating framework.

1.3 INTERACTION WITH OTHER REGULATORY INSTRUMENTS

The requirements set out in this negotiating framework are in addition to any requirements or obligations contained in the Rules or a relevant Victorian Regulatory Instrument.

In the case of inconsistency between the Rules or a relevant Victorian Regulatory Instrument and this negotiating framework, the Rules or the relevant Victorian Regulatory Instrument will prevail.

1.4 NO OBLIGATION TO PROVIDE SERVICE

Nothing in this negotiating framework or in the Rules will be taken to impose an obligation on JEN to provide any service to the Service Applicant.

1.5 OBLIGATION TO NEGOTIATE IN GOOD FAITH

JEN and the Service Applicant must negotiate the terms and conditions of access for the provision by JEN of the Negotiated Distribution Service sought by the Service Applicant in good faith. The obligation to negotiate in good faith does not require a party to act contrary to its own commercial interests.

2. TIMEFRAMES

2.1 COMMENCING, PROGRESSING AND FINALISING NEGOTIATIONS

2.1.1 Subject to paragraphs 2.1.2 to 2.1.4, following a request for a Negotiated Distribution Service, JEN and the Service Applicant will use their reasonable endeavours to:

- A agree the milestones, information requirements and any other relevant issues within 5 Business Days of receipt by JEN of the application;
- B adhere to any timetable established for negotiations, and progress negotiations in an expeditious manner; and
- C finalise negotiations within 120 Business Days of the initial application.

2.1.2 JEN and the Service Applicant must use reasonable endeavours to adhere to the timeframes set out in paragraph 2.1.3 or agreed pursuant to paragraph 2.1.4 during the negotiation for the supply of a Negotiated Distribution Service.

2.1.3 The timeframes for negotiating Negotiated Distribution Services are set out in Table 2-1, together with a reference to other relevant paragraphs of this negotiating framework.

Table 2-1: Timeframe for negotiating negotiated distribution services

Event	References	Timeframe	
A	Receipt of written application for a Negotiated Distribution Service.	1.1	X
B	Parties discuss: <ul style="list-style-type: none"> the nature of the services required; any Commercial Information to be provided by the Service Applicant; and notification and consultation with affected Distribution Network Users and AEMO <p>[Note – These discussions may occur by electronic communication or by telephone, if appropriate.]</p> Parties agree: <ul style="list-style-type: none"> timeframes for negotiation and consultation; and milestones. Service Applicant pays application fee.	2.1.1, 2.2, 3, 6, 7	X + 5 Business Days
C	Service Applicant provides Commercial Information to JEN. <p>[Note – JEN may request additional Commercial Information if required, and if so, the Service Applicant must provide additional Commercial Information to JEN.]</p>	3	X + 20 Business Days [Additional 20 Business Days]
D	Where required, JEN consults with affected Distribution Network Users and AEMO	6	X + 40 Business Days
E	All necessary information is received by JEN, including: <ul style="list-style-type: none"> the completed application; the Service Applicant's Commercial Information; and consultation feedback where required. The Service Applicant has paid the relevant fee.	1.1, 3, 7	Y
F	JEN provides Commercial Information and makes Negotiated Distribution Service offer.	4,5	Y + 20 Business Days
G	Parties finalise negotiations.	2.1.1	Y + 80 Business Days

- 2.1.4 The timeframes set out in paragraph 2.1.3 may be modified from time to time by agreement between the parties, where each party's agreement must not be unreasonably withheld. Any such amended negotiating timeframe will be taken to be a reasonable period of time for commencing, progressing and finalising negotiations with a Service Applicant for the provision of the Negotiated Distribution Services.

2.2 SUSPENSION OF TIMEFRAMES

- 2.2.1 The timeframes for negotiation of the provision of a Negotiated Distribution Service set out in paragraph 2.1.3 or agreed pursuant to paragraph 2.1.4 are suspended as follows:

- A the obligations of both parties are suspended if a dispute in relation to the Negotiated Distribution Service has been notified to JEN or the Service Applicant (as applicable) in accordance with paragraph 10. The timeframes are suspended from the date of that notification until the date of the withdrawal of the dispute or resolution of the dispute under paragraph 10;
- B JEN's obligations are suspended if the Service Applicant has not supplied additional Commercial Information requested by JEN pursuant to paragraph 3.2 within 20 Business Days of that request or the Service Applicant does not otherwise comply with a relevant requirement of the timeframes set out in paragraph 2.1.3 or agreed pursuant to paragraph 2.1.4.

3. PROVISION OF COMMERCIAL INFORMATION BY SERVICE APPLICANT

3.1 OBLIGATION TO PROVIDE COMMERCIAL INFORMATION

- 3.1.1 JEN may request the Service Applicant to provide JEN with Commercial Information held by the Service Applicant that JEN reasonably requires to enable it to engage in effective negotiations with the Service Applicant in relation to the Service Applicant's application.
- 3.1.2 Subject to paragraph 2.2, the Service Applicant must use its reasonable endeavours to provide JEN the Commercial Information requested by JEN within 10 Business Days of that request, or within such other period as agreed by the parties.

3.2 OBLIGATION TO PROVIDE ADDITIONAL COMMERCIAL INFORMATION

- 3.2.1 JEN may request the Service Applicant to provide JEN with any additional Commercial Information that is reasonably required by JEN to enable it to engage in effective negotiations with the Service Applicant in relation to the Service Applicant's application or to clarify any Commercial Information provided pursuant to paragraph 3.1.
- 3.2.2 Subject to paragraph 2.2, the Service Applicant must use its reasonable endeavours to provide JEN the Commercial Information requested by JEN in accordance with paragraph 3.2.1 within 10 Business Days of the date of the request, or within such other period as agreed by the parties.

3.3 CONFIDENTIALITY REQUIREMENTS

- 3.3.1 Commercial Information provided to JEN by the Service Applicant may be provided subject to the condition that JEN must not disclose the Commercial Information to any other person unless the Service Applicant consents in writing to the disclosure or as required by law. The Service Applicant may require JEN to enter into a confidentiality agreement with the Service Applicant in respect of

Commercial Information provided by the Service Applicant to JEN. The terms of the confidentiality agreement must be reasonably acceptable to both parties.

- 3.3.2 A consent provided by the Service Applicant in accordance with paragraph 3.3.1 may be given subject to the condition that the person to whom JEN discloses the Commercial Information must enter into a separate confidentiality agreement with the Service Applicant.

4. PROVISION OF COMMERCIAL INFORMATION BY JEN

4.1 OBLIGATION TO PROVIDE COMMERCIAL INFORMATION (INCLUDING COST INFORMATION)

- 4.1.1 JEN will provide the Service Applicant with all Commercial Information held by JEN that is reasonably required by the Service Applicant to enable it to engage in effective negotiations with JEN for the provision of the Negotiated Distribution Service sought by the Service Applicant.

- 4.1.2 The information will be provided within a timeframe agreed by the parties, but in any case prior to or contemporaneous with the provision of the Negotiated Distribution Service offer, and will include the following information:

A a description of the nature of the Negotiated Distribution Service, including what JEN would provide to the Service Applicant as part of that service;

B the terms and conditions on which JEN would provide the Negotiated Distribution Service to the Service Applicant; and

C an explanation of the reasonable costs and/or the increase or decrease in costs (as appropriate) associated with providing the Negotiated Distribution Service to the Service Applicant. The purpose of this explanation is to demonstrate that the charges reflect the costs and/or cost increment or decrement (as appropriate) of providing the Negotiated Distribution Service.

- 4.1.3 For the purpose of paragraph 4.1.2C, JEN will have appropriate arrangements to assess and review charges and the basis on which they are made.

4.2 CONFIDENTIALITY REQUIREMENTS

- 4.2.1 Commercial Information provided by JEN in accordance with paragraph 4.1 may be provided subject to the condition that the Service Applicant must not disclose the Commercial Information to any other person unless JEN consents in writing to the disclosure or as required by law. JEN may require the Service Applicant to enter into a confidentiality agreement with JEN in respect of Commercial Information provided by JEN to the Service Applicant. The terms of the confidentiality agreement must be reasonably acceptable to both parties.

- 4.2.2 A consent provided by JEN to a Service Applicant in accordance with paragraph 4.2.1 may be given subject to the condition that the person to whom the Service Applicant discloses the Commercial Information must enter into a separate confidentiality agreement with JEN.

5. PRICING PRINCIPLES

JEN will comply with the Negotiated Distribution Service Principles set out in clause 6.7.1 of the Rules.

6. CONSULTATION WITH AFFECTED PARTIES

6.1 JEN TO DETERMINE POTENTIAL IMPACT ON DISTRIBUTION NETWORK USERS

JEN will determine the potential impact on Distribution Network Users, other than the Service Applicant, of the provision of the Negotiated Distribution Service.

6.2 JEN TO NOTIFY AND CONSULT

JEN will notify and consult with any affected Distribution Network Users and ensure that the provision of the Negotiated Distribution Service does not result in non-compliance with obligations in relation to other Distribution Network Users under the Rules.

7. PAYMENT OF JEN'S COSTS

7.1 APPLICATION FEE

7.1.1 Prior to commencing negotiations, the Service Applicant must pay an application fee to JEN.

7.1.2 The application fee will be determined by JEN based upon an estimate of the minimum reasonable direct Costs that will be incurred by JEN in relation to the Service Applicant's application for the provision of the Negotiated Distribution Service.

7.2 DIRECT COSTS

7.2.1 From time to time, JEN may give the Service Applicant a notice setting out an estimate of any reasonable direct Costs that will be incurred by JEN in relation to the Service Applicant's application for the provision of the Negotiated Distribution Service that exceed the application fee paid by the Service Applicant under paragraph 7.1.2.

7.2.2 The Service Applicant must, within 20 Business Days of the receipt of that notice, pay to Jemena the amount stated in the notice provided by JEN under paragraph 7.2.1.

7.2.3 If the aggregate direct Costs incurred by JEN in relation to the Service Applicant's application for the provision of the Negotiated Distribution Service are less than the amount paid by the Service Applicant under paragraphs 7.1.1 and 7.2.2, JEN will:

- A offset the excess amount against the price for the Negotiated Distribution Service; or
- B refund the excess amount if the Service Applicant does not acquire the Negotiated Distribution Service.

7.2.4 JEN may require the Service Applicant to enter into a binding agreement addressing conditions, guarantees and other matters in relation to the payment of on-going Costs in accordance with this paragraph 7.

8. TERMINATION OF NEGOTIATIONS

8.1 TERMINATION BY SERVICE APPLICANT

The Service Applicant may elect not to continue with its application for a Negotiated Distribution Service and may terminate the negotiations by giving JEN written notice of its decision to do so.

8.2 TERMINATION BY JEN

JEN may terminate a negotiation under this negotiating framework by giving the Service Applicant written notice of its decision to do so where:

- 8.2.1 JEN believes on reasonable grounds that the Service Applicant is not conducting the negotiation under this negotiating framework in good faith;
- 8.2.2 JEN reasonably believes that the Service Applicant will not acquire any Negotiated Distribution Service; or
- 8.2.3 an act of Solvency Default occurs in relation to the Service Applicant.

9. PUBLICATION OF RESULTS OF NEGOTIATION

9.1 JEN TO PUBLISH RESULTS

At the conclusion of the negotiations between JEN and the Service Applicant, whether by way of agreed outcome or termination pursuant to paragraph 8 of this negotiating framework, JEN will publish the results of the negotiations on its website.

9.2 FORM OF PUBLICATION

JEN will publish the results described in paragraph 9.1 in a quarterly summary on its website.

10. DISPUTE RESOLUTION

All disputes between the parties as to the terms and conditions of access for the provision of a Negotiated Distribution Service will be dealt with in accordance with the National Electricity Law and Part L of Chapter 8 of the Rules.

11. GIVING NOTICES

11.1 ADDRESS FOR NOTICES

Except as otherwise indicated in this negotiating framework, a notice, consent, information, application or request that must or may be given or made to a party under this negotiating framework is only given or made if it is in writing and delivered or posted to that party at its address set out below.

If a party gives the other party 5 Business Days' notice of a change of its address, a notice, consent, information, application or request is only given or made by that other party if it is delivered or posted to the other party's most recent address.

JEN

Name: Jemena Electricity Networks (Vic) Ltd

Address: *[To be completed]*

PO Box: *[To be completed]*

Fax: *[To be completed]*

Email: *[To be completed]*



Service Applicant

Name: Service Applicant

Address: The nominated address of the Service Applicant provided in writing to JEN as part of the application

11.2 TIME NOTICE IS GIVEN

11.2.1 A notice, consent, information, application or request is to be treated as given or made at the following time:

- if it is delivered, when it is left at the relevant address;
- if it is sent by post, 2 Business Days after it is posted;
- if it is sent by fax, on receipt by the sender of a transmission control report from the despatching machine showing the relevant number of pages and the correct destination machine number or name of recipient and indicating that the transmission has been made without error; or
- if sent by email once acknowledged as received by the addressee.

11.2.2 If a notice, consent, information, application or request is delivered after the normal business hours of the party to whom it is sent, it is to be treated as having been given or made at the beginning of the next Business Day.

12. TERMS & ABBREVIATIONS


12.1 DEFINITIONS

In this document the following definitions apply.

Table 12-1: Definitions

Term	Definition
Business Day	A day on which all banks are open for business generally in Melbourne, Victoria.
Commercial Information	Includes, but is not limited to, the following classes of information: <ul style="list-style-type: none"> • details of corporate structure; • financial details relevant to creditworthiness and commercial risk; • ownership of assets; • technical information relevant to the application for the Negotiated Distribution Service; • financial information relevant to the application for the Negotiated Distribution Service; • details of an application's compliance with any law, standard, Rules or guideline, but does not include: <ul style="list-style-type: none"> • confidential information provided by another person to either: <ul style="list-style-type: none"> – the Service Applicant; or – JEN; • information that the Service Applicant is prohibited, by law, from disclosing to JEN; or • information that JEN is prohibited, by law, from disclosing to the Service Applicant.
Costs	Any costs or expenses incurred by JEN in complying with this negotiating framework or otherwise advancing the Service Applicant's request for the provision of a Negotiated Distribution Service.
JEN	Jemena Electricity Networks (Vic) Ltd, ABN 82 064 651 083
National Electricity Law	The National Electricity Law set out in the schedule to the <i>National Electricity (South Australia) Act 1996</i> of South Australia, having force and effect as a law of Victoria pursuant to section 6 of the <i>National Electricity (Victoria) Act 2005</i> .
Negotiated Distribution Services	<ul style="list-style-type: none"> • New public lights (that is, new lighting types not subject to regulated charge and new public lighting in greenfield sites); • Alteration and relocation of JEN public lighting assets; and • Reserve feeder construction.
Public Lighting Services	Services associated with: <ul style="list-style-type: none"> – installing new public lighting assets; or

Term	Definition
	<ul style="list-style-type: none"> - altering and relocating JEN's existing public lighting assets.
Rules	The National Electricity Rules made under the National Electricity Law.
Solvency Default	<p>The occurrence of any of the following events in relation to the Service Applicant:</p> <p>(a) an originating process or application for the winding up of the Service Applicant (other than a frivolous or vexatious application) is filed in a court or a special resolution is passed to wind up the Service Applicant, and is not dismissed before the expiration of 60 days from service on the Service Applicant;</p> <p>(b) a receiver, receiver and manager or administrator is appointed in respect of all or any part of the assets of the Service Applicant, or a provisional liquidator is appointed to the Service Applicant;</p> <p>(c) a mortgagee, chargee or other holder of security, by itself or by or through an agent, enters into possession of all or any part of the assets of the Service Applicant;</p> <p>(d) a mortgage, charge or other security is enforced by its holder or becomes enforceable or can become enforceable with the giving of notice, lapse of time or fulfilment of a condition;</p> <p>(e) the Service Applicant stops payment of, or admits in writing its inability to pay, its debts as they fall due;</p> <p>(f) the Service Applicant applies for, consents to, or acquiesces in the appointment of a trustee or receiver of the Service Applicant or any of its property;</p> <p>(g) a court appoints a liquidator, provisional liquidator, receiver or trustee, whether permanent or temporary, of all or any part of the Service Applicant's property;</p> <p>(h) the Service Applicant takes any step to obtain protection or is granted protection from its creditors under any applicable legislation or a meeting is convened or a resolution is passed to appoint an administrator or controller (as defined in the Corporations Act 2001), in respect of the Service Applicant;</p> <p>(i) a controller (as defined in the Corporations Act 2001) is appointed in respect of any part of the property of the Service Applicant;</p> <p>(j) except to reconstruct or amalgamate while solvent, the Service Applicant enters into or resolves to enter into a scheme of arrangement, compromise or reconstruction proposed with its creditors (or any class of them) or with its members (or any class of them) or proposes re-organisation, re-arrangement moratorium or other administration of the Service Applicant's affairs;</p> <p>(k) the Service Applicant is the subject of an event described in section 450C(2)(b) of the Corporations Act 2001; or</p> <p>(l) anything analogous or having a substantially similar effect to any of the events specified above happens in relation to the Service Applicant.</p>
Victorian Regulatory Instrument	<p>An Act, licence, code, guideline or other regulatory instrument to which JEN is subject under Victorian law. As at the date this negotiating framework is established, Victorian Regulatory Instruments include without limitation:</p> <ul style="list-style-type: none"> • Jemena Electricity Distribution Licence • Public Lighting Code • Electricity Industry Guideline No.14.



12.2 INTERPRETATION

In this negotiating framework, unless the context otherwise requires:

- terms defined in the Rules have the same meaning in this negotiating framework;
- a reference to any law or legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision;
- a reference to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced from time to time;
- a reference to a paragraph, part, schedule or attachment is a reference to a paragraph, part, schedule or attachment of or to this document unless otherwise stated;
- an expression importing a natural person includes any company, trust, partnership, joint venture, association, corporation, body corporate or governmental agency; and
- a covenant or agreement on the part of two or more persons binds them jointly and severally