



**PRELIMINARY DECISION
AusNet Services distribution
determination
2016 to 2020**

**Attachment 17 – Negotiated
services framework and criteria**

October 2015

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Note

This attachment forms part of the AER's preliminary decision on AusNet Services' revenue proposal 2016–20. It should be read with all other parts of the preliminary decision.

The preliminary 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

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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 requires us to make constituent decisions on:

- the negotiating framework that is to apply to AusNet Services (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

AusNet Services submitted a negotiating framework as part of its 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 preliminary decision on AusNet Services' negotiating framework and NDSC.

17.1 Preliminary decision

Negotiating framework

We propose a variation to AusNet Services' proposed negotiating framework for the 2016–20 regulatory control period.⁴ Specifically, our preliminary decision is to:

- insert at section 3 of AusNet Services' negotiating framework that each party will use their reasonable endeavours to adhere to the specified time limits as required by cl. 6.7.5(c)(5) of the NER.
- delete from section 6 of AusNet Services' negotiating framework 'by entering into the negotiating process, AusNet Services and the service applicant agree that a dispute will be dealt with in accordance with AusNet Services' dispute resolution process in the first instance'.⁵
- amend section 6 of AusNet Services' negotiating framework to state that 'all disputes arising during the course of the negotiation shall be dealt with in accordance with Part 10 of the NEL and Part L of Chapter 6 of the NER'.⁶
- otherwise adopt AusNet Services' proposed negotiating framework.

¹ NER, cl. 6.12.1(15).

² NER, cl. 6.12.1(16).

³ AusNet, *Appendix 18A: Proposed negotiating framework*, April 2015.

⁴ NER, cl. 6.12.1(15).

⁵ To comply with NER, cl. 6.7.5(c)(6).

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

Negotiated distribution service criteria

Our preliminary decision is to retain the NDSC that we published for AusNet Services 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 AusNet Services' 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 preliminary decision

Negotiating framework

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. We have varied AusNet Services' proposed negotiating framework so it meets the minimum requirements of the NER.⁹

Table 17.1 summarises our assessment of AusNet Services' proposed negotiating framework. It shows 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 AusNet Services' proposed negotiating framework

| NER requirements | AER assessment of AusNet Services |
|--|---|
| Requirement for a distributor and applicant ¹⁰ to negotiate in good faith— cl. 6.7.5(c)(1) | Section 3 of AusNet Services' 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 AusNet Services' 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 AusNet Services' 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 4 of AusNet Services' 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 3 of AusNet Services' 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 6 of AusNet Services' 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 3 of AusNet Services' 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 5 of AusNet Services' 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 5 of AusNet Services' framework |
| Requirement that the distributor publish the results of negotiations on its website – cl. 6.7.5(c)(10) | Section 3 of AusNet Services' framework |

Source: AER analysis.

A copy of AusNet Services' framework is at appendix A, subject to our variations as set out in section 17.1.

Negotiated distribution services criteria

In May 2015, we published an invitation for submissions on our proposed NDSC for the Victorian distributors including AusNet Services. We did not receive any submissions in response to our proposed NDSC. The NDSC we have decided to apply to AusNet Services 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 AusNet Services for the 2016–20 regulatory control period.

A AusNet Services' negotiating framework



AusNet Electricity Services Pty Ltd

Electricity Distribution Price Review 2016–20

Appendix 18A: Proposed Negotiating Framework

mission zero



Revision History

| | |
|-----------------|--------------------------------------|
| Version number: | Version 3.0 |
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Authorisation


| Authorised by: | Signature: | Date: |
|--|---|---------------|
| Tom Hallam Manager, Economic regulation |  | 30 April 2015 |

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Negotiating Framework

The National Electricity Rules (the Rules) require certain distribution services (*negotiated distribution services*) to be provided on terms and conditions of access that are negotiated between the *Distribution Network Service Provider* (DNSP) and the *Service Applicant(s)*. Pursuant to clause 6.7.5(a) AusNet Electricity Services Pty Ltd (ABN 91 064 651 118) (AusNet Services) has prepared a *negotiating framework* which sets out the procedures to be followed during negotiations. The *negotiating framework* must be consistent with:

- the applicable requirements of the relevant distribution determination; and
- the minimum requirements for a *negotiating framework* specified in clause 6.7.5(c).

AusNet Services may seek to amend or replace its *negotiating framework* at the time it submits its proposal for the next regulatory control period, by submitting a new proposed negotiating framework in accordance with the Rules as in force at that time.

1. Application of Negotiating Framework

This *negotiating framework* applies to AusNet Services and each and every *Service Applicant* who has made an application in writing for the provision of *negotiated distribution services*.

The requirements of this *negotiating framework* are in addition to any requirements or obligations contained in the Rules. In the case of any inconsistency between this *negotiating framework* and the Rules, the Rules will prevail.

Notwithstanding this *negotiating framework*, in the event there is any inconsistency with any of the requirements of:

- (1) rules 5.3, 5.3A and 5.5 insofar as the *negotiating framework* applies to *negotiated distribution services* which would have been *negotiated distribution service* regardless of the operation of clause 6.24.2(c); and
- (2) rules 5.3, 5.3A and 5.4A insofar as the *negotiating framework* applies 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),

and any other relevant provision of Chapter 6, the requirements of rules 5.3, 5.4A and 5.5 will prevail.

2. Commencement of Negotiations

A *Service Applicant* who wishes to receive a *negotiated distribution service* from AusNet Services must submit a written request to the AusNet Services customer service centre in accordance with clause 7 of this framework. The request may be made on the AusNet Services application form for electricity supply requests or may be made by written request. The request must elect to conduct a negotiation under this *negotiating framework*.

3. Application for Negotiated Distribution Services

On receipt of an application form or written request (as applicable), AusNet Services and the *Service Applicant* will proceed to negotiate in good faith the terms and conditions of access in accordance with this *negotiation framework*.

Timeframe for Negotiation

In accordance with the Rules, AusNet Services will make an offer to the *Service Applicant* to provide the *negotiated distribution service*, within 20 *Business Days* of receipt of the request.

If the request does not comply with the requirements of the Rules or this *negotiating framework* AusNet Services will make an offer to the *Service Applicant* to provide the *negotiated distribution service* within 20 *Business Days* of the date when AusNet Services receives all commercial information or information which AusNet Services deems reasonably necessary to provide the offer.

AusNet Services may refuse to make an offer to the *Service Applicant* to provide the *negotiated distribution service* if:

- (a) AusNet Services has already made an offer in response to an earlier request for that *negotiated distribution service* and the offer has not been accepted;
- (b) AusNet Services is of the reasonable opinion that the *Service Applicant* is not conducting the negotiations in good faith; or
- (c) AusNet Services is permitted or required to do so by any electricity industry code, guideline or standard, or any applicable law.

The offer made to the *Service Applicant* will contain the price and terms and conditions for provision of the *negotiated distribution service*, including the following (as applicable):

- (a) a description of the *connection assets*;
- (b) the amount of the *Service Applicant's* capital contribution for new works and augmentation;
- (c) the costs AusNet Services will incur to provide relevant services;
- (d) a requirement that the *Service Applicant* comply with the provisions of any electricity industry code, guideline or standard, unless otherwise agreed by the AusNet Services and the *Service Applicant* (both of whom in that respect must act reasonably).

In preparing an offer to provide the *negotiated distribution service*, AusNet Services will comply with the Pricing Principles, to the extent that those principles apply to the relevant *negotiated distribution service*.

An offer made for provision of the *negotiated distribution service* will remain valid for a period of 60 *Business Days* from the date of issue of the offer. Within those 60 *Business Days* the *Service Applicant* must notify AusNet Services if:

- (a) it accepts the offer;
- (b) it rejects the offer and does not wish to commence negotiations for provision of the *negotiated distribution service*; or
- (c) it rejects the offer but does wish to commence negotiations for provision of the *negotiated distribution service*.

If the *Service Applicant* notifies AusNet Services that it rejects AusNet Services' offer in accordance with sub-clause (c) above then:

- (a) AusNet Services may request further information from the *Service Applicant* in order to determine a negotiation program reasonably acceptable to both parties; and
- (b) AusNet Services will finalise negotiations in accordance with that program.

The timeframes are summarised in Table 1.

Table 1

| Event | Indicative Timeframe |
|--|----------------------|
| <i>Service Applicant</i> provides all information to AusNet Electricity Services | 20 Business Days |
| Parties finalise negotiations | 60 Business Days |

Suspension of Timeframe

The timeframes indicated above for the provision of a *negotiated distribution service* may be suspended at the discretion of AusNet Services in the event that:

- (a) a dispute is raised in relation to the *negotiated distribution service* being provided;
- (b) a dispute is raised in relation to this *negotiating framework*; or
- (c) AusNet Services determines in its reasonable opinion that insufficient information has been provided by the *Service Applicant*.

The timeframe will remain suspended until:

- (a) the dispute is resolved;
- (b) the dispute is abandoned; or
- (c) the information is provided,
(as applicable).

Fees for Offer and Costs of Negotiated Distribution Service

Prior to commencing negotiations, the *Service Applicant* must pay to AusNet Services an application fee. The application fee will be AusNet Services' reasonable estimate of the direct costs that will be incurred by AusNet Services in processing the application.

AusNet Services may also require the *Service Applicant* to enter into an agreement addressing the payment of the costs associated with the processing of the offer to provide the *negotiated distribution services*.

Termination of Negotiation

AusNet Services may terminate a negotiation under this *negotiating framework* by giving the *Service Applicant* written notice of its intention to so where:

- (a) AusNet Services is of the reasonable opinion that the *Service Applicant* will not acquire the *negotiated distribution service*;
- (b) AusNet Services believes on reasonable grounds that the *Service Applicant* is not conducting the negotiations in good faith;
- (c) the *Service Applicant* fails to comply with the obligations in this *negotiating framework*;
- (d) the *Service Applicant* fails to pay the fees specified in this clause 3; or
- (e) an Insolvency Event occurs in respect of the *Service Applicant*.

Results of Negotiation

At the conclusion of the negotiations between AusNet Services and the *Service Applicant*, (regardless of whether the outcome is agreed or terminated) AusNet Services will publish the results of the negotiations on its website.

4. Provision of Information

Following a request from a *Service Applicant* to receive a *negotiated distribution service*, AusNet Services may request all commercial information reasonably required by AusNet Services to enable AusNet Services to assess the application and negotiate the requested services.

Commercial information for the purposes of this *negotiating framework* will include, but not be limited to:

- information in relation to a company's corporate structure;
- financial information;
- asset ownership; and
- details of the *Service Applicant's* compliance with any law, standard, guidelines, code or the Rules.

Commercial information to be provided by a *Service Applicant* does not include *confidential information* provided to AusNet Services by another person.

Following a request from AusNet Services the *Service Applicant* must use reasonable endeavours to provide the requested commercial information within 10 *Business Days* of the request being issued, or within the time period nominated by AusNet Services being not less than 10 *Business Days*.

AusNet Services will not disclose commercial information to any other person unless authorised by the *Service Applicant* to do so or required by law to do so. The *Service Applicant* may require AusNet Services to enter into a confidentiality agreement in respect to the provision of the commercial information requested. The terms of the confidentiality agreement must be reasonably acceptable to both parties.

Following a request from the *Service Applicant*, AusNet Electricity Services will:

- (i) identify and inform a *Service Applicant* of the reasonable costs and/or the increase or decrease in costs (as appropriate) of providing the *negotiated distribution service*;
- (ii) demonstrate to a *Service Applicant* that the charges for providing the *negotiated distribution service* reflect those costs and/or the cost increment or decrement (as appropriate); and
- (iii) have appropriate arrangements for assessment and review of the charges and the basis on which they are made.

AusNet Services will provide all such commercial information a *Service Applicant* may reasonably require to enable that applicant to engage in effective negotiation with AusNet Services for the provision of the *negotiated distribution service* to the *Service Applicant*. AusNet Services may impose conditions on the provision of that commercial information, including but not limited to, the condition that the *Service Applicant* must not disclose the commercial information to any other person unless AusNet Services consents in writing. AusNet Services may require the *Service Applicant* to enter into a confidentiality agreement prior to the release of the information. The terms and conditions of the confidentiality agreement must be reasonably acceptable to both parties.

The information provided to the *Service Applicant* in accordance with this clause may be subject to the condition that the person to whom the *Service Applicant* discloses the information must enter into a separate confidentiality agreement with AusNet Services.

5. Determination of Impact on Other Distribution Users

In accordance with clause 6.7.5 (c) (8), AusNet Services will determine the potential impact on other distribution network users of the provision of the *negotiated distribution service*.

If there is a potential impact determined, AusNet Services will notify and consult with any affected distribution network user and take reasonable steps to ensure that the provision of the *negotiated distribution service* does not result in non-compliance with obligations to other distribution network users in accordance with the Rules.

If AusNet Services is required to consult pursuant to this clause 5, the timeframe provided for in clause 3 shall be suspended until the information required to assess the impact is received from the affected distribution network user.

6. Dispute Resolution

By entering into the negotiation process, AusNet Services and the *Service Applicant* agree that a dispute will be dealt with in accordance with AusNet Services' dispute resolution process in the first instance.

In the event that the dispute resolution process proves to be unsuccessful, disputes arising during the course of the negotiation shall be dealt with in accordance with the National Electricity Law and Chapter 8 of the Rules.

7. Notices

Each communication (including each notice, consent, approval, request and demand) under or in connection with this *negotiating framework* to AusNet Services must be addressed as follows (or as otherwise notified by AusNet Services from time to time):

To AusNet Services:

Address: 8 Beaconsfield Avenue
Beaconsfield Victoria 3807

Fax: 03 9238 6447

Email: csc@ausnetservices.com.au

For the attention of: The Customer Service Centre

unless otherwise agreed by AusNet Services.

Each communication must also:

- (a) be signed by the *Service Applicant* making it or (on the *Service Applicant's* behalf) by the solicitor for, or any attorney, director, secretary or authorised agent of, the *Service Applicant*;
- (b) be delivered by hand or posted by prepaid post to the address, or sent by fax to the number, or emailed to the address listed above; and

is taken to be received by AusNet Services:

- (c) (in the case of prepaid post) on the fifth *Business Day* after the date of posting;
- (d) (in the case of fax) at the time in the place to which it is sent equivalent to the time shown on the transmission confirmation report produced by the fax machine from which it was sent, but if the communication is taken to be received on a day that is not a *Business Day* or after 5.00 pm, it is taken to be received at 9.00 am on the next *Business Day*
- (e) (in the case of email) at the time in the place to which it is sent which is shown on the email as it appears in the Customer Contact Centre's email inbox, but if the communication is taken to be received on a day that is not a *Business Day* or after 5.00 pm on a *Business Day*, it is taken to be received at 9.00 am on the next *Business Day*; and
- (f) (in the case of delivery by hand) on delivery, but if the communication is taken to be received on a day that is not a *Business Day* or after 5.00 pm, it is taken to be received at 9.00 am on the next *Business Day*.

Where a *Service Applicant* sends a communication by prepaid post, the *Service Applicant* is presumed to have used the Regular postal service offered by Australia Post, and the timeframe for receipt specified in paragraph (c) above applies.

8. Definitions and Interpretation

In this *negotiating framework* words in italics have the same meaning as given to those words in the Rules. Capitalised words are defined as follows:

"Insolvency Event" means the occurrence of any of the following events in relation to the *Service Applicant*:

- (a) a "controller" (as defined in section 9 of the Commonwealth Corporations Act 2001), manager, trustee, administrator, or similar officer is appointed in respect of the *Service Applicant*;
- (b) a liquidator or provisional liquidator is appointed in respect of the *Service Applicant*;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up the *Service Applicant*; or
 - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of the *Service Applicant* or the *Service Applicant*'s estate under any insolvency provision;
- (e) a moratorium of any debts of the *Service Applicant*, a personal insolvency agreement or any other assignment, composition or arrangement (formal or informal) with the *Service Applicant*'s creditors or any similar proceeding or arrangement by which the assets of the *Service Applicant* are subjected conditionally or unconditionally to the control of the *Service Applicant*'s creditors or a trustee, is ordered, declared or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) the *Service Applicant* becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of the *Service Applicant*.

"Pricing Principles" means the *Negotiated Distribution Service Principles* set out in rule 6.7.1 of the Rules.