



Final

**Electricity transmission network service
providers**

Pricing methodology guidelines

July 2014

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Inquiries about this document should be addressed to:

Australian Energy Regulator
GPO Box 520
Melbourne Vic 3001
Tel: (03) 9290 1444
Fax: (03) 9290 1457
Email: AERInquiry@aer.gov.au

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Glossary

Shortened forms

<i>AARR</i>	Aggregate Annual Revenue Requirement
<i>AER</i>	Australian Energy Regulator
<i>ASRR</i>	Annual Service Revenue Requirement
<i>CRNP</i>	Cost reflective network pricing
<i>MLEC CRNP</i>	Modified load export charge cost reflective network pricing
<i>TNSP</i>	transmission network service provider
<i>TUOS</i>	transmission use of system

Terms

Appointing provider has the meaning ascribed to it in clause 6A.29.1(a) of the *National Electricity Rules*.

Contract agreed maximum demand means the agreed maximum demand negotiated between a *TNSP* and a *transmission customer*.

Current metered energy offtake means metered energy measured at a connection point in the current billing period.

Current metered maximum demand offtake means metered maximum demand measured at a connection point in the current billing period.

Directly attributable in relation to *transmission* assets refers to assets that are used or required to provide the relevant pricing *category of prescribed transmission service*.¹

Guidelines means the *pricing methodology guidelines*.

Historical metered energy offtake means metered energy measured at a connection point in the corresponding billing period two years earlier.

Historical metered maximum demand offtake means metered maximum demand measured at a connection point in the corresponding billing period two years earlier.

National Electricity Rules means the rules as defined in the *National Electricity Law*.

¹ AEMC, Rule Determination, *National Electricity Amendment (Pricing of Prescribed Transmission Services) Rule 2006 No. 22*, 21 December 2006, p.34.

1. Nature and Authority

1.1 Introduction

These *guidelines* specify or clarify a number of aspects in relation to the preparation of a *Transmission Network Service Provider's (TNSP) proposed pricing methodology* to be submitted to the *Australian Energy Regulator (AER)*.

1.2 Authority

Clause 6A.25.1(a) of the *National Electricity Rules* requires the *AER* to develop, in accordance with the *transmission consultation procedures, guidelines* relating to the preparation of a proposed *pricing methodology* by a *TNSP*.

1.3 Role of these guidelines

These *guidelines* specify or clarify:

- (a) the information that is to accompany a proposed *pricing methodology*;
- (b) permitted pricing structures for the recovery of the locational component of providing *prescribed TUOS services*;
- (c) permitted postage stamp pricing structures for *prescribed common transmission services* and the recovery of the adjusted non-locational component of providing *prescribed TUOS services*;
- (d) the types of *transmission system* assets that are *directly attributable* to each category of *prescribed transmission services*; and
- (e) those parts of a proposed *pricing methodology*, or the information accompanying it that will not be publicly disclosed without the consent of the *TNSP*.

1.4 Relationship between these guidelines and the National Electricity Rules

- (a) Each *TNSP* must develop a proposed *pricing methodology* for submission to the *AER* in accordance with the requirements of these *guidelines* and the *National Electricity Rules*.
- (b) The *pricing methodology* approved by the *AER* must be used by the relevant *TNSP*, in conjunction with the *National Electricity Rules*, for the purpose of determining *transmission prices* in each *regulatory year* of a *regulatory control period*.
- (c) Clause 6A.17.1 of the *National Electricity Rules* provides for information to be provided by the *TNSP* to the *AER* which the *AER* may use to monitor,

report on and enforce compliance with a *transmission determination*, including a *TNSP's pricing methodology*. A failure by a *TNSP* to comply with its *pricing methodology* may constitute a breach of clause 6A.24.1(d) of the *National Electricity Rules*.

1.5 Confidentiality

The *AER's* obligations regarding confidentiality and the disclosure of information provided to it by a *TNSP* are governed by the *Competition and Consumer Act 2010*, the *National Electricity Law* and the *National Electricity Rules*.

1.6 Definitions and interpretation

- (a) In these *guidelines* the words and phrases presented in italics have the meaning given to them in:
 - (1) the glossary; or
 - (2) if not defined in the glossary, the *National Electricity Rules*.
- (b) Explanations in these *guidelines* about why certain information is required are provided for guidance only.

1.7 Processes for revision

The *AER* may amend or replace the *guidelines* from time to time in accordance with clause 6A.25.1(b)(2) of the *National Electricity Rules*.

1.8 Version history and effective date

A version number and an effective date of issue will identify every version of these *guidelines*.

2. Pricing methodology guidelines

2.1 Information requirements

A *TNSP*'s proposed *pricing methodology* must contain the following information:

- (a) Whether the *TNSP* is the sole provider of *prescribed transmission services* within its *region* or whether there are multiple *TNSPs* providing *prescribed transmission services*.
- (b) If there are multiple *TNSPs* providing *prescribed transmission services* within its *region* the *TNSP* should detail whether it:
 - (1) has been appointed as the *Co-ordinating Network Service Provider* for a *region* under clause 6A.29.1(a) of the *National Electricity Rules* and is therefore responsible for the allocation of the *AARR* within the *region*; or
 - (2) is an *appointing provider* for the purposes of clause 6A.29.1(a) of the *National Electricity Rules* and if so, it should nominate the *Co-ordinating Network Service Provider* and identify the parts of its proposed *pricing methodology* which will be dealt with by the *Co-ordinating Network Service Provider*.
- (c) Details of how the *AARR* has been derived including an explanation of how the operating and maintenance costs subtracted from the *maximum allowed revenue* in accordance with clause 6A.22.1 of the *National Electricity Rules* have been determined and how they will be recovered via *transmission prices*.
- (d) Details of how the *AARR* will be allocated to derive the *ASRR* for each *category of prescribed transmission service*, including:
 - (1) how the *attributable cost shares* for each *category of prescribed transmission service* will be calculated in accordance with clause 6A.22.3 of the *National Electricity Rules* including:
 - A. an explanation of how the costs referred to in clause 6A.22.3(a) of the *National Electricity Rules* will be calculated; and
 - B. hypothetical worked examples for each *category of prescribed transmission service*;
 - (2) how the priority ordering approach outlined in clause 6A.23.2(d) of the *National Electricity Rules* will be applied, including a hypothetical worked example; and
 - (3) how asset costs which may be attributable to both *prescribed entry services* and *prescribed exit services* will be allocated.
- (e) Details of how the *ASRR* for each *category of prescribed transmission service* will be allocated to each *transmission connection point*, including:

- (1) how the *attributable connection point cost share* for both *prescribed entry services* and *prescribed exit services* will be calculated in accordance with clause 6A.22.4 of the *National Electricity Rules*, including:
 - A. an explanation of how the costs referred to in clause 6A.22.4(a) of the *National Electricity Rules* will be calculated;
 - B. hypothetical worked examples; and
 - C. how asset costs allocated to *prescribed entry services* and *prescribed exit services* at a *connection point*, which may be attributable to multiple *transmission network users*, will be allocated;
 - (2) how the locational and pre-adjusted non-locational shares of *prescribed TUOS services* will be allocated in accordance with 6A.23.3(d) of the *National Electricity Rules*;
 - (3) how the locational and adjusted non-locational components of *prescribed TUOS services* will be determined and allocated to *connection points* in accordance with clause 6A.23.3(c) of the *National Electricity Rules*.
- (f) In relation to price structures:
- (1) confirm that separate prices will be developed for each *category of prescribed transmission service*;
 - (2) confirm that the prices for *prescribed entry services* and *prescribed exit services* will be a fixed annual amount, and describe how these amounts will be calculated;
 - (3) outline how the pricing structure for the recovery of the locational component of *prescribed TUOS services* complies with these *guidelines* and clauses 6A.23.4(e)-(i) of the *National Electricity Rules* including outlining:
 - A. the time period for the allocation of *generation to load* as prescribed in clause S6A.3.2(3) of the *National Electricity Rules*;
 - B. how prices will be structured to comply with the *National Electricity Rules* and these *guidelines*; and
 - C. the process for deriving the locational charge for each *billing period* and details of any adjustment mechanism applied to a measure of forecast demand once actual demand is known.
 - (4) outline how the postage stamp pricing structure for the recovery of the adjusted non locational component of *prescribed TUOS services* complies with these *guidelines* and clause 6A.23.4(j) of the *National Electricity Rules*; and

- (5) outline how the postage stamp pricing structure for the recovery of *prescribed common transmission services* complies with these *guidelines* and clause 6A.23.4(d) of the *National Electricity Rules*.
- (g) Details of how the *TNSP* intends to set the *prescribed TUOS service* locational price at new *connection points* or at *connection points* where the load has changed significantly after *prescribed TUOS service* locational prices have been determined and published by the *TNSP* .
- (h) If a *TNSP* expects to calculate a postage stamped price in accordance with either section 2.3(c)(4)(C) or 2.3(d)(3)(C) of these *guidelines*, it must explain the likely circumstances surrounding the use of *current energy offtake* or *current maximum demand offtake* in its proposed *pricing methodology*.
- (i) A statement of how the *pricing methodology* gives effect to and is consistent with, the pricing principles for *prescribed transmission services* including an explanation of how any alternative pricing structure which the *TNSP* wishes to apply meets the requirements of clause 6A.23.4(a)-(j) of the *National Electricity Rules*.
- (j) Details of any proposed transitional arrangements the *TNSP* considers necessary as a result of the implementation of its pricing methodology.
- (k) Information relating to any prudent discounts for *prescribed transmission services* previously submitted to the *AER* or expected to be submitted to the *AER* within the next *regulatory control period* and how those discounts are proposed to be recovered from *Transmission Network Users* in accordance with clause 6A.26 of the *National Electricity Rules*.
- (l) Details of billing arrangements with *Transmission Network Users* and transfers between *TNSPs* conducted in accordance with clause 6A.27 of the *National Electricity Rules*.
- (m) Details of the nature of *prudential requirements* as outlined in clause 6A.28 of the *National Electricity Rules* and how any capital contributions will be taken into account in determining a *Transmission Network Users'* prices for *prescribed transmission services*.
- (n) If a *TNSP* has, in accordance with section 2.5 of these *guidelines*, provided the *AER* with a confidential version of its proposed *pricing methodology*, the non confidential version of the proposed *pricing methodology* must outline the area or areas where the *TNSP* is making a claim for confidentiality and why.
- (o) Details of any derogation in accordance with chapter 9 of the *National Electricity Rules*.
- (p) Details of any transitional arrangements which apply in accordance with chapter 11 of the *National Electricity Rules*.
- (q) The period over which the proposed *pricing methodology* will apply.

- (r) A description of any differences between the *pricing methodology* applied during the current *regulatory control period* and that proposed for the next *regulatory control period*.
- (s) Details of how the *TNSP* intends monitor, and develop records of its compliance with its approved *pricing methodology*, the *pricing principles for prescribed transmission services* and more broadly part J of the *National Electricity Rules*.

2.2 Permitted (locational) pricing structures

- (a) Prices for the recovery of the locational component of *prescribed TUOS services* must be based on demand at times of greatest utilisation of the *transmission network* and for which network investment is most likely to be contemplated in accordance with clause 6A.23.4(e) of the *National Electricity Rules*.
- (b) The *CRNP* methodology and modified *CRNP* methodology outlined in S6A.3 of the *National Electricity Rules* provide guidance on the process for cost allocation for the locational component of *prescribed TUOS services* and results in a lump sum dollar amount to be recovered at each *transmission connection point*.
- (c) The following measures of demand are to be applied to the lump sum dollar amount referred to section 2.2(b) to derive the locational price at each *transmission connection point*:
 - (1) The current *contract agreed maximum demand* (prevailing at the time *transmission* prices are published) as negotiated in a *transmission customer's* connection agreement or the *transmission customer's* maximum demand in the previous 12 months if the *transmission customer* has exceeded its current *contract agreed maximum demand*, expressed as \$/MW/day; or
 - (2) The average of the *transmission customer's* half-hourly maximum demand recorded at a *connection point* on the 10 weekdays when system demand was highest between the hours of 11:00 and 19:00 in the local time zone during the previous 12 months, expressed as \$/MW/day.
- (d) A *TNSP* (or *Co-ordinating Network Service Provider*) may propose alternative pricing structures for the recovery of the locational component of *prescribed TUOS services* which it considers give effect to, and are consistent with the *pricing principles for prescribed transmission services* in the *National Electricity Rules*.
- (e) If a *TNSP* (or *Co-ordinating Network Service Provider*) proposes an alternative pricing structure for the recovery of the locational component of *prescribed TUOS services* it must clearly demonstrate to the *AER* that the alternative pricing structure:

- (1) gives effect to, and is consistent with the *pricing principles for prescribed transmission services* in the *National Electricity Rules*;
 - (2) improves on the permitted pricing structures outlined in section 2.2(c) of these *guidelines*; and
 - (3) contributes to the NEM objective.
- (f) If historical data is unavailable for a *connection point* for use in either the allocation of costs to a *connection point* using the *CRNP* or modified *CRNP* methodology outlined in S6A.3 or the calculation of locational prices outlined in section 2.2(c) of these *guidelines*, an estimate of demand must be used instead.
- (g) The *contract agreed maximum demand* must only be used for the calculation of the locational component of *prescribed TUOS services* pricing structure if the *transmission customer's* connection agreement or other enforceable instrument governing the terms of connection of the *transmission customer*:
- (1) nominates a fixed maximum demand for the *connection point*; and
 - (2) specifies penalties for exceeding the *contract agreed maximum demand*.
- (h) The locational TUOS price calculated in accordance with these *guidelines* must be applied to a measure of actual, forecast or contract demand to derive the locational charge.

2.3 Permitted (postage stamp) pricing structures

- (a) Prices for *prescribed common transmission services* and the recovery of the adjusted non-locational component of *prescribed TUOS services* are to be set on a *postage stamp basis* in accordance with clause 6A.23.4(d) and clause 6A.23.4(j) of the *National Electricity Rules* respectively.
- (b) Permissible postage stamp pricing structures for either the non-locational component of *prescribed TUOS services* or *prescribed common transmission services* must be based on any one of the following:
- (1) either *contract agreed maximum demand* or *historical energy*;
 - (2) *maximum demand*; or
 - (3) an alternative pricing structure.
- (c) If a postage stamped structure is based on either *contract agreed maximum demand* or *historical energy* it must be calculated as follows:
- (1) Each *financial year* a *TNSP* (or *Co-ordinating Network Service Provider*) must determine the following two prices:

- A. an *energy based price* that is a price per unit of historical metered energy or current metered energy at a *connection point*; and
 - B. a *contract agreed maximum demand* price that is a price per unit of *contract agreed maximum demand* at a *connection point*.
- (2) Either the *energy based price* or the *contract agreed maximum demand* price applies at a *connection point* except for those *connection points* where a *transmission customer* has negotiated reduced charges for *prescribed common transmission services* or the adjusted non-locational component of *prescribed TUOS services* in accordance with clause 6A.26.1 of the *National Electricity Rules*.
- (3) The *energy based price* and the *contract agreed maximum demand* price referred to in section 2.3(c)(1) of these *guidelines* must be determined so that:
- A. a *transmission customer* with a load factor in relation to its *connection point* equal to the median load factor for *connection points* with *transmission customers* connected to the *transmission network* in the *region* or *regions* is indifferent between the use of the *energy based price* and the *contract agreed maximum demand* price; and
 - B. the total amount to be recovered by the *prescribed common transmission services* or the adjusted non-locational component of *prescribed TUOS services* does not exceed the ASRR for each *category of prescribed transmission service*.
- (4) The charge for either the *prescribed common transmission service* or the adjusted non locational component of *prescribed TUOS services* using the *energy based price* for a *billing period* in a *financial year* for each *connection point* must be calculated by:
- A. multiplying the *energy based price* by the metered energy offtake at that *connection point* in the corresponding *billing period* two years earlier (i.e. *historical metered energy offtake*); or
 - B. multiplying the *energy based price* by the metered energy offtake at that *connection point* in the same *billing period* (*current metered energy offtake*) if the *historical metered energy offtake* is not available; or
 - C. multiplying the *energy based price* by the *current metered energy offtake* if the *historical metered energy offtake* is significantly different to the *current metered energy offtake*.
- (5) The charge calculated for *prescribed common transmission services* or the adjusted non-locational component of *prescribed TUOS services* using the *contract agreed maximum demand* price for a *billing period* in a *financial year* for each *connection point* must be calculated by

multiplying the *contract agreed maximum demand* price by the maximum demand for the *connection point* in that *financial year* and then dividing this amount by the number of *billing periods* in the *financial year*.

- (6) The *energy based price* or the *contract agreed maximum demand* price that applies for *prescribed common transmission services* or the adjusted non-locational component of *prescribed TUOS services* must be the one which results in the lower estimated charge for that *prescribed transmission service*.
 - (7) A *contract agreed maximum demand* price must only be used for the calculation of the *prescribed common transmission services* charge or the adjusted non-locational component of *prescribed TUOS services* charge if the *Transmission customer's* connection agreement or other enforceable instrument governing the terms of connection of the *transmission customer*:
 - A. nominates a *contract agreed maximum demand* for the *connection point*; and
 - B. specifies penalties for exceeding the *contract agreed maximum demand*.
- (d) If a postage stamped pricing structure is based on *maximum demand* it must be calculated as follows:
- (1) Each *financial year* a *TNSP* (or *Co-ordinating Network Service Provider*) must determine the *maximum demand* based price that is a price per unit of historical metered *maximum demand* or actual metered *maximum demand* measured at a *connection point*;
 - (2) The *maximum demand* based price applies at a *connection point* except for those *connection points* where a *transmission customer* has negotiated reduced charges for *prescribed common transmission services* or the adjusted non-locational component of *prescribed TUOS services* in accordance with clause 6A.26.1 of the *National Electricity Rules*.
 - (3) The charge for either the *prescribed common transmission services* or the adjusted non-locational component of *prescribed TUOS services* using the *maximum demand* based price for a *billing period* in a *financial year* for each *connection point* must be calculated by:
 - A. multiplying the *maximum demand* based price by the *maximum demand* at that *connection point* in the corresponding *billing period* two years earlier (i.e. *historical metered maximum demand* *offtake*); or
 - B. multiplying the *maximum demand* based price by the maximum demand at that *connection point* in the same *billing period* (*current*

metered maximum demand offtake) if the *historical maximum demand offtake* is not available;

- (C) multiplying the maximum demand based price by the *current metered maximum demand offtake* if the *historical metered maximum demand offtake* is significantly different to the *current metered maximum demand offtake*.
- (e) A *TNSP* (or *Co-ordinating Network Service Provider*) may propose alternative postage stamp pricing structures which it considers give effect to, and are consistent with the *pricing principles for prescribed transmission services* in the *National Electricity Rules*, in which case it must clearly demonstrate to the *AER* that the alternative pricing structure is least distortionary to transmission network users behaviour and:
- (1) gives effect to, and is consistent with the *pricing principles for prescribed transmission services* in the *National Electricity Rules*;
 - (2) improves on the permitted pricing structures outlined in section 2.2(c) and (d) of these *guidelines*; and
 - (3) contributes to the NEM objective.

2.4 Attribution of transmission system assets to categories of prescribed transmission services

- (a) The following sections outline the types of *transmission system assets* that are *directly attributable* to each *category of prescribed transmission service*.
- (1) The types of *transmission system assets* that are *directly attributable* to *prescribed entry services* are limited to:
 - A. *substation* buildings, *substation* land and associated infrastructure (such as fences, earthing equipment etc);
 - B. switchgear and *plant* associated with *generators' generating systems* connection and *generator transformers*;
 - C. secondary systems associated with primary systems providing *prescribed entry services*;
 - D. *transmission* lines owned by *TNSPs* connecting *generators' generating systems* to the *TNSP's transmission network*; and
 - E. *meters* associated with *prescribed entry services* and owned by the *TNSP*.
 - (2) The types of *transmission system assets* that are *directly attributable* to *prescribed exit services* are limited to:

- A. *substation* buildings, *substation* land and associated infrastructure (such as fences, earthing equipment etc);
 - B. switchgear used to supply the sub-*transmission voltage* and associated switchgear at both the *transmission* and sub-*transmission voltage* level;
 - C. transformers which supply the sub-*transmission voltage* level and associated switchgear at both the *transmission* and sub-*transmission voltage* level;
 - D. secondary systems associated with primary systems providing *prescribed exit services*;
 - E. *meters* associated with *prescribed exit services* and owned by the TNSP; and
 - F. *reactive plant* installed for *power factor* correction which provides benefit to *Transmission customers* connected at the *connection point*.
- (3) The types of *transmission system* assets that are *directly attributable* to *prescribed TUOS services* are limited to:
- A. *substation* buildings, *substation* land and associated infrastructure (such as fences, earthing equipment etc);
 - B. *transmission* lines and associated easements;
 - C. switchgear on *transmission* lines and auto-transformers which are part of the *transmission network* and are switched at the *substation* including associated bus work and control and protection schemes;
 - D. auto-transformers which transform *voltage* between *transmission* levels;
 - E. static and dynamic *reactive plant* and associated switchgear and transformation regardless of the *voltage* level; and
 - F. all system controls required for monitoring and control of the integrated *transmission system* including remote monitoring and associated communications, *load shedding* and special control schemes and *voltage* regulating *plant* required for operation of the integrated *transmission system*.
- (4) The types of *transmission system* assets that are *directly attributable* to *prescribed common transmission services* are limited to:
- A. *substation* buildings, *substation* land and associated infrastructure (such as fences, earthing equipment etc);
 - B. *power system* communications networks;

- C. *control systems*;
 - D. network switching centres (excluding generation and system control functions);
 - E. static and dynamic reactive control *plant* and associated switchgear;
 - F. spare *plant* and equipment including that installed at *substations*;
 - G. fixed assets such as buildings and land that are not associated with *substation* or line easements, (head office buildings, land for future *substations* etc.); and
 - H. motor vehicles and construction equipment.
- (b) In its proposed *pricing methodology*, a *TNSP* may include additional types of *transmission system* assets that it considers are *directly attributable* to one or more *category of prescribed transmission service*.
- (c) A *TNSP* must justify the inclusion of any additional types of *transmission system* assets referred to in section 2.4(b) of the *guidelines* and the *AER* will consider each when assessing the *TNSP's* proposed *pricing methodology*.

2.5 Disclosure of information

- (a) A *TNSP* should develop its proposed *pricing methodology* so that it can be publicly released by the *AER*.
- (b) If a *TNSP* identifies information which it considers to be confidential or commercially sensitive and it considers that providing that information to the *AER* is necessary in order to demonstrate that its proposed *pricing methodology* complies with the *National Electricity Rules*, it should include that information in a confidential version of its proposed *pricing methodology* and provide it to the *AER*.
- (c) The *AER* will not publicly disclose a confidential version of a proposed pricing methodology.
- (d) The *AER* considers that confidential or commercially sensitive information is likely to include details of, or information that could readily be used to infer an individual *transmission customer's* price or charge, premises, negotiated discounts, *prudential requirements* or other commercial arrangements relating to its electricity supply.
- (e) If a *TNSP* considers that other information should not be made publicly available, it must justify its claim for confidentiality to the *AER*.
- (f) If the *AER* disagrees with a *TNSP's* claim that information provided to it is of a confidential or commercially sensitive nature, the *AER* will:

- (1) notify the *TNSP* of its view, and
 - (2) allow the *TNSP* to withdraw the information or rescind its claim for confidentiality.
- (g) If information is withdrawn under 2.5(f) the AER will:
- (1) not take the information into consideration when assessing the *TNSP*'s proposed pricing methodology, and
 - (2) not publicly disclose that information.

2.6 Inter-regional transmission charging arrangements

- (a) Where a *TNSP* is the co-ordinating network service provider for a region its pricing methodology is required to detail how it will derive the AARR for prescribed transmission services in that region, including any allocation of the AARR in an interconnected region as agreed between *TNSPs* in accordance with clause 6A.29.3 of the *NER*
- (b) Where a *TNSP* is the co-ordinating network service provider for one or more regions, it is required to detail how it will calculate the modified load export charge payable to it by the co-ordinating network service provider for each interconnected region, in accordance with clause 6A.29A.2 of the *NER*
- (c) Where there is more than one transmission business in a region, the co-ordinating network service provider must provide details in its pricing methodology regarding how it will allocate any amounts receivable by or payment to other transmission businesses in accordance with clause 6A.29.5 of the *NER*
- (d) When allocating any amounts receivable by or payable to other transmission businesses as per clause 6A.29.5 of the *NER*, a co-ordinating network service provider is required to specify in its pricing methodology that the allocation of those amounts will be conducted according to intra-regional, rather than inter-regional, network utilisation
- (e) If a *TNSP* has appointed a co-ordinating network service provider in its region, then that co-ordinating network service provider must specify the timetable for provision of all necessary data to it for the calculation of the inter- and intra-regional transmission charges
- (f) Where a *TNSP* is a co-ordinating network service provider in its region, it must undertake in its pricing methodology to publish details of modified load export charges that are to apply for the following financial year on its website and in accordance with the timeframes specified in the *NER*

- (g) Where a TNSP is a co-ordinating network service provider in its region, it is required to specify in its pricing methodology that the 'regulatory year' for which it will run its modified load export charge cost reflective network pricing methodology (MLEC CRNP) is the previous financial year completed at the time at which the MLEC CRNP is being calculated.