

Negotiating Framework Compliance Checklist

Guideline section	Requirement	Negotiating Framework Compliance Checklist (Review against Guidelines)
5.1(a)	The negotiating framework is a document prepared by the TNSP that sets out the procedure to be followed in negotiations between the TNSP and any person (a service applicant or applicant) who wishes to receive a negotiated transmission service from the TNSP, as to the price and other terms and conditions at which the service is to be provided.	Compliant. TransGrid has submitted its Negotiating Framework to the AER.
5.1(b)	Under clause 6A.10.1(b) of the NER, a TNSP must submit to the AER a proposed negotiating framework at the same time as it submits a revenue proposal.	Compliant. TransGrid has submitted its Negotiating Framework to the AER in advance.
5.1(c)	Under clauses 6A.10.1(c) and 6A.10.1(d) of the NER, a TNSP's proposed negotiating framework must also comply with the requirements of these guidelines and clause 6A.9.5 of the NER.	Compliant. TransGrid has prepared the Negotiating framework to comply with the Guidelines and Clause 6A.9.5 of the NER.
5.2(a)	A TNSP's negotiating framework must contain, or be accompanied by, the information specified in this section (5.2).	All endeavours are taken to ensure the Negotiating Framework contains the information requirements specified in Section 5.2 of the AER's Guidelines.
5.2(b)	Under clause 6A.10.1(b) of the NER, a TNSP must submit to the AER a proposed negotiating framework at the same time as it submits a revenue proposal.	Compliant. TransGrid has submitted its Negotiating Framework to the AER and has met the information provisions, Section 6.1.1.
5.2(c)	Consistent with clause 6A.9.5(c)(1) of the NER, a TNSP's negotiating framework must specify a requirement for the TNSP and a service applicant to negotiate in good faith the price at which the negotiated transmission service is to be provided.	Compliant. Section 2.1 of the negotiating framework specifies the requirement for TransGrid and a service applicant to negotiate in good faith for the price at which the negotiated transmission service is to be provided.
5.2(d)	Consistent with clause 6A.9.5(c)(2) of the NER, a TNSP's negotiating framework must specify a requirement for the TNSP to provide all such commercial information as a service applicant may reasonably require to enable that applicant to engage in effective negotiation with the TNSP as to the price at which the negotiated transmission service is to be provided, including the cost information described in clause 5.2(e).	Compliant. Section 6.1 of the negotiating framework specifies the requirement for TransGrid to provide all such commercial information as a service applicant may reasonably require to enable that applicant to engage in effective negotiation with the TNSP as to the price at which the negotiated transmission service is to be provided, including the cost information.
5.2(e)	Consistent with clause 6A.9.5(c)(3) of the NER, a TNSP's negotiating framework must specify a requirement for the TNSP to: (1) identify, and inform a service applicant of, the reasonable costs, and/or the increase or decrease in costs (as appropriate), of providing the negotiated transmission service; (2) demonstrate to a service applicant that the charges for providing the negotiated transmission service reflect those costs and/or the cost increment or decrement (as appropriate).	Compliant. Section 6.1.3 includes the requirement for TransGrid to provide cost information to the service applicant as required by Clause 6A.9.5(c)(3) of the NER.
5.2(f)	Consistent with clause 6A.9.1(1) of the NER, a TNSP's negotiating framework must specify a requirement for the TNSP to base its price for a negotiated transmission service on the costs incurred in providing that service, determined according to the TNSP's approved cost allocation methodology.	Compliant. Included in Section 6.1.3 and the definition of 'Costs' in section 13 is the requirement for TransGrid to base its price for a negotiated transmission service on the costs incurred in providing that service, determined according to the approved cost allocation methodology.
5.2(g)	A TNSP's negotiating framework must specify a requirement for the TNSP to provide the service applicant with the terms and conditions on which the TNSP would provide its negotiated transmission service to the service applicant.	Compliant. Included in Section 6.1.2 is the requirement for TransGrid to provide the service applicant with the terms and conditions on which TransGrid would provide its negotiated transmission service to the service applicant.

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5.2(h)	Consistent with clause 6A.9.5(c)(4) of the NER, a TNSP's negotiating framework must specify a requirement for a service applicant to provide all such commercial information as the TNSP may reasonably require to enable the TNSP to engage in effective negotiation with that applicant as to the price at which the negotiated transmission service is to be provided.	Compliant. Sections 4.1, 4.2, 4.3, 5.1 and 5.2 contain the requirement for a service applicant to provide all such commercial information as TransGrid may reasonably require to enable the TNSP to engage in effective negotiation with that applicant as to the price at which the negotiated transmission service is to be provided.
5.2(i)(1)	Consistent with clause 6A.9.5(c)(5) of the NER, a TNSP's negotiating framework must specify a requirement for (1) the TNSP to provide a reasonable period of time for commencing, progressing and finalising negotiations with a service applicant as to the price at which the negotiated transmission service is to be provided.	Compliant. Information in sections 3.1, 3.3, 3.4 and Table 1 contain the requirement for TransGrid to provide a reasonable period of time for commencing, progressing and finalising negotiations with a service applicant as to the price at which the negotiated transmission service is to be provided.
5.2(i)(2)	(2) each party to the negotiation to use its reasonable endeavours to adhere to those time periods during the negotiation.	Compliant. Contained in Section 3.3.2 is the requirement for TransGrid and the service applicant to use reasonable endeavours to adhere to the time periods during the negotiation.
5.2(j)	Consistent with clause 6A.9.5(c)(6) of the NER, a TNSP's negotiating framework must specify a requirement for the TNSP to provide a process for dispute resolution that provides that all disputes about the price at which negotiated transmission services are to be provided are to be dealt with according to schedule 6A.3 of the NER.	Compliant. Section 9.1 contains reference to the Commercial arbitration clauses in Part K of Chapter 6A of the NER.
5.2(k)	Consistent with clause 6A.9.5(c)(7) of the NER, a TNSP's negotiating framework must specify for payment by a service applicant of the TNSP's reasonable direct expenses incurred in processing the application to provide the negotiated transmission service.	Compliant. Sections 10.1 to 10.5 specify the payments to meet TransGrid's costs in processing the application to provide negotiated transmission services.
5.3(a)	Under clause 6A.9.5(d) of the NER, notwithstanding ss. 5.1 and 5.2 of these guidelines, the negotiating framework must not be inconsistent with any of the requirements of chapters 4, 5 and 6A of the NER, and, in the event of any inconsistency, those requirements prevail.	Compliant. Refer to Section 1.3. TransGrid has taken all endeavours to ensure consistency with the requirements of Chapters 4, 5, and 6A of the NER. Should inconsistency exist, the NER requirements will prevail.
5.3(b)	Under clause 6A.9.5(e) of the NER, each TNSP and service applicant negotiating for the provision of a negotiated transmission service by the TNSP must comply with the requirements of the negotiating framework according to its terms.	Compliant. Sections 1.1 and 1.2 and to point 'D' in the section entitled, 'Background' of the Negotiating Framework require TransGrid and the service applicant to comply with the requirements of the negotiating framework.
5.3(c)	Nothing in this section (5) of these guidelines or in clause 6A.9 of the NER is to be taken as imposing an obligation on a TNSP to provide any service to the service applicant.	Compliant. Section 1.4 contains the requirement that nothing in the negotiating framework is to be taken as imposing an obligation on TransGrid to provide any service to the service applicant.