Submission Checklist

Submission Checklist – Revenue Proposal

Clause	Rules	Addressed in Revenue Proposal
6A.4.1(b)	(b) Such a *Revenue Proposal* must comply with the requirements of this Chapter 6A, and in particular must: (1) be prepared using the *post-tax revenue model* referred to in rule 6A.5; (2) comply with the requirements of, and contain or be accompanied by the information required by, any relevant *regulatory information instrument*; and (3) contain the information and matters specified in Schedule 6A.1.	(1) The PTRM has been used and submitted together with the revenue proposal in the submission pack. (2) Information required by the RIN has been submitted together with the revenue proposal in the submission pack. (3) Please refer to details in this checklist under Schedule 6A.1.
6A.6.6(a)	(a) A *Revenue Proposal* must include the total forecast operating expenditure for the relevant *regulatory control period* which the *Transmission Network Service Provider* considers is required in order to achieve each of the following (the *operating expenditure objectives*): (1) meet or manage the expected demand for *prescribed transmission services* over that period; (2) comply with all applicable *regulatory obligations or requirements* associated with the provision of *prescribed transmission services*; (3) to the extent that there is no applicable *regulatory obligation or requirement* in relation to: (i) the quality, reliability or security of supply of *prescribed transmission services*; or (ii) the reliability or security of the *transmission system* through the supply of *prescribed transmission services*, to the relevant extent: (iii) maintain the quality, reliability and security of supply of *prescribed transmission services*; and (iv) maintain the reliability and security of the *transmission system* through the supply of *prescribed transmission services*; and (4) maintain the safety of the *transmission system* through the supply of *prescribed transmission services*.	The total forecast operating expenditure TransGrid considers is required to achieve the operating expenditure objectives over 2014/15 to 2018/19 is set out in Section 6.3.
6A.6.6(b)	(b) The forecast of required operating expenditure of a *Transmission Network Service Provider* that is included in a *Revenue Proposal* must: (1) comply with the requirements of any relevant *regulatory information instrument*; (2) be for expenditure that is properly allocated to *prescribed transmission services* in accordance with the principles and policies set out in the *Cost Allocation Methodology* for the *Transmission Network Service Provider*; and (3) include both: (i) the total of the forecast operating expenditure for the relevant *regulatory control period*; and (ii) the forecast operating expenditure for each *regulatory year* of the relevant *regulatory control period*.	(1) The forecast operating expenditure in the revenue proposal complies with the requirements of the Revenue Reset Regulatory Information Notice dated 7 March 2014. (2) The cost allocations are in accordance with TransGrid's Cost Allocation Methodology approved by the AER in 2008. (3) The total forecast operating expenditure and forecast operating expenditure for each regulatory year are set out in Section 6.3.

Clause	Rules	Addressed in Revenue Proposal
6A.6.7(a)	(a) A *Revenue Proposal* must include the total forecast capital expenditure for the relevant *regulatory control period* which the *Transmission Network Service Provider* considers is required in order to achieve each of the following (the *capital expenditure objectives*): (1) meet or manage the expected demand for *prescribed transmission services* over that period; (2) comply with all applicable *regulatory obligations or requirements* associated with the provision of *prescribed transmission services*; (3) to the extent that there is no applicable *regulatory obligation or requirement* in relation to: (i) the quality, reliability or security of supply of *prescribed transmission services*; or (ii) the reliability or security of the *transmission system* through the supply of *prescribed transmission services*, to the relevant extent: (iii) maintain the quality, reliability and security of supply of *prescribed transmission services*; and (iv) maintain the reliability and security of the *transmission system* through the supply of *prescribed transmission services*; and (4) maintain the safety of the *transmission system* through the supply of *prescribed transmission services*.	The total forecast capital expenditure TransGrid considers is required to achieve the capital expenditure objectives is set out in Section 5.3.
6A.6.7(b)	(b) The forecast of required capital expenditure of a *Transmission Network Service Provider* that is included in a *Revenue Proposal* must: (1) comply with the requirements of any relevant *regulatory information instrument*; (2) be for expenditure that is properly allocated to *prescribed transmission services* in accordance with the principles and policies set out in the *Cost Allocation Methodology* for the *Transmission Network Service Provider*; (3) include both: (i) the total of the forecast capital expenditure for the relevant *regulatory control period*; and (ii) the forecast capital expenditure for each *regulatory year* of the relevant *regulatory control period*; and (4) identify any forecast capital expenditure: (i) that is for a *reliability augmentation*; or (ii) that is for an option that has satisfied the *regulatory investment test for distribution* or *regulatory investment test for transmission* (as the case may be).	(1) The forecast capital expenditure in the revenue proposal complies with the Revenue Reset Regulatory Information Notice dated 7 March 2014. (2) The cost allocations are in accordance with TransGrid's Cost Allocation Methodology approved by the AER in 2008. (3) The total forecast capital expenditure and forecast capital expenditure for each regulatory year are set out in Section 5.3. (4) The forecast capital expenditure for reliability augmentations is identified in Section 5.5.2, including reference to projects described in Sections 5.3.1 and 5.3.2 . There are no options that have satisfied regulatory consultation, as stated in Section 5.9.10.
6A.6.7(h)	(h) A *Transmission Network Service Provider's Revenue Proposal* for the second *regulatory control period*, must include in the forecast of required capital expenditure referred to in paragraph (a) an amount of any unspent capital expenditure for each *contingent project* as described in paragraph (g)(2), that equals the difference (if any) between: (1) the total capital expenditure for that *contingent project*, as determined by the *AER* in the first *regulatory control period* under clause 6A.8.2(e)(1)(ii); and (2) the total of the capital expenditure actually incurred (or estimated capital expenditure for any part of the first *regulatory control period* for which actual capital expenditure is not available) in the first *regulatory control period* for that *contingent project*.	TransGrid has not triggered any contingent projects in the current regulatory control period. Therefore, this is not applicable.

Clause	Rules	Addressed in Revenue Proposal
6A.6.7(k)	(k) A *Revenue Proposal* in respect of the second *regulatory control period* must not include in the forecast of required capital expenditure referred to in paragraph (a) any capital expenditure for a *contingent project* for the first *regulatory control period*: (1) to the extent that the capital expenditure was included in the amount of capital expenditure for that *contingent project* as determined in the first *regulatory control period* under clause 6A.8.2(e)(1)(i); and (2) the capital expenditure actually incurred (or estimated capital expenditure for any part of the first *regulatory control period* for which actual capital expenditure is not available) in the first *regulatory control period* for that *contingent project* exceeded the capital expenditure referred to in subparagraph (1).	TransGrid has not triggered any contingent projects in the current regulatory control period. Therefore, this is not applicable.
6A.6.9(a)	(a) A *Revenue Proposal* may include a proposal as to the events that should be defined as *pass through events* under clause 6A.7.3(a1)(5) having regard to the *nominated pass through event considerations*.	Proposed nominated pass through events are set out in Chapter 17.
6A.10.1(a)	(a) A *Transmission Network Service Provider* must submit to the *AER* a *Revenue Proposal* and a proposed *pricing methodology* relating to the *prescribed transmission services* that are provided by means of, or in connection with, a *transmission system* that is owned, controlled or operated by that *Transmission Network Service Provider*: (1) if any of those *prescribed transmission services* are subject to a *transmission determination*, 17 months before the expiry of the period in respect of which that *transmission determination* applies; or (2) if any of those *prescribed transmission services* are not subject to a *transmission determination*, 3 months after being required to do so by the *AER*.	The proposed pricing methodology is set out in Appendix AI of the revenue proposal.
6A.10.1(b)	(b) At the same time as it submits a *Revenue Proposal* under paragraph (a), the *Transmission Network Service Provider* must also submit to the *AER* a proposed *negotiating framework*.	The proposed negotiating framework is set out in Appendix AJ of the revenue proposal.
6A.10.1(c)	(c) The *Revenue Proposal* and the proposed *negotiating framework* must comply with the requirements of, and must contain or be accompanied by such information as is required by, any relevant *regulatory information instrument*.	The revenue proposal and the proposed negotiating framework comply with the requirements of the Regulatory Information Notice dated 7 March 2014 and are accompanied by supporting information provided in the Regulatory Information Notice package submitted with the revenue proposal.
6A.10.1(d)	(d) The proposed *negotiating framework* must also comply with the requirements of clause 6A.9.5.	Refer to the Submission Checklist – Negotiating Framework below.
6A.10.1(e)	(e) A proposed *pricing methodology* must: (1) give effect to and be consistent with the *Pricing Principles for Prescribed Transmission Services*; and (2) comply with the requirements of, and contain or be accompanied by such information as is required by, the *pricing methodology guidelines* made for that purpose under rule 6A.25.	Refer to the Submission Checklist – Pricing Methodology below.
6A.10.1(f)	(f) The *Revenue Proposal* must also: (1) include a statement of whether it is consistent with the most recent *NTNDP* and, if it is inconsistent, identify and give reasons for the inconsistency; and (2) identify any parts of the *Revenue Proposal* or the proposed pricing methodology the *Transmission Network Service Provider* claims to be confidential and wants suppressed from publication on that ground in accordance with the *Transmission Confidentiality Guidelines*.	(1) Consistency with the NTNDP is discussed in Section 5.9.8 of the revenue proposal. (2) No confidentiality claim has been identified. This is stated in Section 2.9.

Clause	Rules	Addressed in Revenue Proposal
6A.10.1(g)	(g) The *Revenue Proposal* must be accompanied by an overview paper which includes each of the following matters: (1) a summary of the *Revenue Proposal* the purpose of which is to explain the *Revenue Proposal* in reasonably plain language to electricity consumers; (2) a description of how the *Transmission Network Service Provider* has engaged with electricity consumers and has sought to address any relevant concerns identified as a result of that engagement; (3) a description of the key risks and benefits of the *Revenue Proposal* for electricity consumers; and (4) a comparison of the *Transmission Network Service Provider*'s proposed total revenue cap with its total revenue cap for the current *regulatory control period*.	The overview paper is submitted along with the revenue proposal.
6A.10.1(h)	(h) The *Revenue Proposal* must be accompanied by information required by the *Expenditure Forecast Assessment Guidelines* as set out in the *framework and approach paper*.	The revenue proposal is accompanied by supporting information in response to the Regulatory Information Notice dated 7 March 2014, which includes the information required by the *Expenditure Forecast Assessment Guidelines* as set out in the framework and approach paper.

Clause	Rules	Addressed in Revenue Proposal
S6A.1.1	**Information and matters relating to capital expenditure** A *Revenue Proposal* must contain at least the following information and matters relating to capital expenditure: (1) a forecast of the required capital expenditure that complies with the requirements of clause 6A.6.7 and identifies the forecast capital expenditure by reference to well accepted categories such as: (i) asset class (eg. *transmission lines*, *substations* etc); or (ii) category driver (eg. *regulatory obligations or requirements*, replacement, *reliability*, net market benefit, business support etc), and identifies, in respect of proposed material assets: (iii) the location of the proposed asset; (iv) the anticipated or known cost of the proposed asset; and (v) the categories of *transmission services* which are to be provided by the proposed asset; (2) the methodology used for developing the capital expenditure forecast; (3) the forecasts of load growth relied upon to derive the capital expenditure forecasts and the methodology used for developing those forecasts of load growth; (4) the key assumptions that underlie the capital expenditure forecast; (5) a certification of the reasonableness of the key assumptions by the directors of the *Transmission Network Service Provider*; (6) capital expenditure for each of the past *regulatory years* of the previous and current *regulatory control period*, and the expected capital expenditure for each of the last two *regulatory years* of the current *regulatory control period*, categorised in the same way as for the capital expenditure forecast and separately identifying for each such *regulatory year*: (i) margins paid or expected to be paid by the *Transmission Network Service Provider* in circumstances where those margins are referable to arrangements that do not reflect arm's length terms; and (ii) expenditure that should have been treated as operating expenditure in accordance with the policy submitted under paragraph (9) for that *regulatory year*; (7) an explanation of any significant variations in the forecast capital expenditure from historical capital expenditure; (8) any non-network alternatives considered by the *Transmission Network Service Provider*; and (9) the policy that the *Transmission Network Service Provider* applies in capitalising operating expenditure.	Forecast capital expenditure is set out in Chapter 5. (1) Forecast capital expenditure is set out in Section 5.3 by category driver. Material assets are discussed in Section 5.5.3 with reference also to Section 5.3. The locations of the proposed material assets are set out in the network maps in Appendix P. (2) The approach to forecasting is set out in Section 5.5. (3) The forecasts used and methodologies on which they are based are set out in Section 5.10. The range of scenarios considered in developing the revenue proposal is set out in Section 3.8. (4) The key assumptions are set out in Section 5.10. (5) Refer to Appendix B. (6) Historical capital expenditure for the current regulatory period is set out in Section 5.8, and for the previous regulatory control period is set out in Section 5.9.2. TransGrid has no related parties in relation to capital expenditure, as identified in Section 5.9.6. Expenditure in all years has been allocated to capital and operating expenditure in accordance with TransGrid's *Expenditure Capitalisation* procedure, as confirmed in Section 5.5.3. (7) The variations between forecast capital expenditure and historical capital expenditure are discussed in Chapter 5. The changes in operating context and drivers resulting in the variations are discussed in Chapter 3. (8) Non-network alternatives are discussed in Section 5.4. (9) The *Expenditure Capitalisation* procedure is provided as a supporting document to the proposal, as noted in Section 5.5.3.

Clause	Rules	Addressed in Revenue Proposal
S6A.1.2	**Information and matters relating to operating expenditure** A *Revenue Proposal* must contain at least the following information and matters relating to operating expenditure: (1) a forecast of the required operating expenditure that complies with the requirements of clause 6A.6.6 and identifies the forecast operating expenditure by reference to well accepted categories such as: (i) particular programs; or (ii) types of operating expenditure (eg. maintenance, payroll, materials etc), and identifies in respect of each such category: (iii) to what extent that forecast expenditure is on costs that are fixed and to what extent it is on costs that are variable; and (iv) the categories of *transmission services* to which that forecast expenditure relates; (2) the methodology used for developing the operating expenditure forecast; (3) the forecasts of key variables relied upon to derive the operating expenditure forecast and the methodology used for developing those forecasts of key variables; (4) the methodology used for determining the cost associated with planned maintenance programs designed to improve the performance of the relevant *transmission system* for the purposes of any *service target performance incentive scheme* that is to apply to the *Transmission Network Service Provider* in respect of the relevant *regulatory control period*; (5) the key assumptions that underlie the operating expenditure forecast; (6) a certification of the reasonableness of the key assumptions by the directors of the *Transmission Network Service Provider*; (7) operating expenditure for each of the first three *regulatory years* of the current *regulatory control period*, and the expected operating expenditure for each of the last two *regulatory years* of that *regulatory control period*, categorised in the same way as for the operating expenditure forecast; (8) an explanation of any significant variations in the forecast operating expenditure from historical operating expenditure; and (9) any non-network alternatives considered by the *Transmission Network Service Provider*.	Forecast operating expenditure is set out in chapter 6. (1) Forecast operating expenditure is set out in Section 6.3 by types of operating expenditure. The extent to which costs are fixed and variable is set out in Section 6.4.3. Categories of transmission services to which the expenditure relates, are set out in Section 6.4.4. (2) The approach to forecasting is set out in Section 6.4. (3) The key variables are set out in Section 6.9. (4) TransGrid does not have any planned maintenance programs designed to improve performance for the purposes of the STPIS, as confirmed in Section 6.4.4. (5) The key assumptions are set out in Section 6.9. (6) Refer to Appendix B. (7) Historical operating expenditure for the current regulatory period is set out in Section 6.7. (8) Significant variations are covered in the discussions on step changes in Section 6.3.2 and employee entitlements in Section 6.3.7. (9) Non-network alternatives are discussed in Section 5.4.

Clause	Rules	Addressed in Revenue Proposal
S6A.1.3	**Additional information and matters** A *Revenue Proposal* must contain at least the following additional information and matters: (1) an identification and explanation of any significant interactions between the forecast capital expenditure and forecast operating expenditure programs; (2) the values that the *Transmission Network Service Provider* proposes are to be attributed to the *performance incentive scheme parameters* for the purposes of the application to the *Transmission Network Service Provider* of any *service target performance incentive scheme* that has been specified in a *framework and approach paper* and that applies in respect of the relevant *regulatory control period*, and an explanation of how the values proposed to be attributed to those parameters comply with any requirements relating to them set out in that scheme; (3) the values that the provider proposes are to be attributed to the *efficiency benefit sharing scheme parameters* for the purposes of the application to the *Transmission Network Service Provider* of any *efficiency benefit sharing scheme* that has been specified in a *framework and approach paper* that applies in respect of the relevant *regulatory control period*, and an explanation of how the values proposed to be attributed to those parameters comply with any relevant requirements set out in that scheme; (3A) a description, including relevant explanatory material, of how the *Transmission Network Service Provider* proposes any *capital expenditure sharing scheme* that has been specified in a *framework and approach paper* that applies in respect of the forthcoming *revenue determination* should apply to it; (3B) a description, including relevant explanatory material, of how the *Transmission Network Service Provider* proposes any *small-scale incentive scheme* that has been specified in a *framework and approach paper* that applies in respect of the forthcoming *revenue determination* should apply to it; (4) the provider's calculation of: (i) the estimated *total revenue cap* for it for the relevant *regulatory control period*; and (ii) the *maximum allowed revenue* for it for each *regulatory year* of the relevant *regulatory control period*, using the *post-tax revenue model* referred to in rule 6A.5, together with: (iii) details of all amounts, values and other inputs used by the *Transmission Network Service Provider* for that purpose; (iv) a demonstration that any such amounts, values and other inputs comply with the relevant requirements of Part C of Chapter 6A; and (v) an explanation of the calculation of the amounts referred to in subparagraphs (i) and (ii) and of the amounts, values and inputs referred to in subparagraph (iii); (vi) where one of those amounts, values or inputs is the *allowed rate of return*, details of any departure from the *Rate of Return Guidelines* in calculating that *allowed rate of return* and the reasons for that departure; (4A) the *Transmission Network Service Provider's* calculation of the proposed return on equity, return on debt and *allowed rate of return*, for each *regulatory year* of the *regulatory control period*, in accordance with clause 6A.6.2, including any departure from the methodologies set out in the *Rate of Return Guidelines* and the reasons for that departure; (4B) if the *Transmission Network Service Provider* proposes that the return on debt for a *regulatory year* of the *regulatory control period* is not to be determined using the methodology referred to in clause 6A.6.2(f)(2)(i), the formula it proposes should be applied in accordance with clause 6A.6.2(l); (4C) the *Transmission Network Service Provider's* proposed value of imputation credits as referred to in clause 6A.6.4;	(1) Significant interactions between forecast capital expenditure and forecast operating expenditure are set out in 5.9.4. (2) The values proposed to be attributed to the service target performance incentive scheme parameters are set out in Chapter 16. (3) The values proposed to be attributed to the efficiency benefit sharing scheme are set out in Chapter 14. (3A) The proposed application of the capital expenditure sharing scheme is set out in Chapter 15. (3B) This is not applicable, as the AER has not specified any small-scale incentive scheme to apply to TransGrid. (4) The calculation of the total revenue cap and maximum allowed revenue are set out in Chapter 13. The PTRM is submitted together with the revenue proposal. The proposed rate of return, TransGrid's approach to calculating the rate of return and details of the departures from the *Rate of Return Guideline* are set out in Chapter 8. The value of imputation credits is set out in Chapter 9. (4A) Proposed return on equity, return on debt and proposed rate of return is set out in Chapter 8, including departures from the *Rate of Return Guideline*. (4B) TransGrid's proposed approach to calculating the return on debt is set out in Chapter 8. (4C) The proposed value of imputation credits is set out in Chapter 9.

Clause	Rules	Addressed in Revenue Proposal
S6A.1.3	(5) the provider's calculation of the regulatory asset base for the relevant *transmission system* for each *regulatory year* of the relevant *regulatory control period* using the *roll forward model* referred to in clause 6A.6.1, together with: (i) details of all amounts, values and other inputs used by the *Transmission Network Service Provider* for that purpose; (ii) a demonstration that any such amounts, values and other inputs comply with the relevant requirements of Part C of Chapter 6A; and (iii) an explanation of the calculation of the regulatory asset base for each *regulatory year* of the relevant *regulatory control period* and of the amounts, values and inputs referred to in subparagraph (i); (6) [**Deleted**]; (7) the depreciation schedules nominated by the *Transmission Network Service Provider* for the purposes of clause 6A.6.3, which categorise the relevant assets for these purposes by reference to well accepted categories such as: (i) asset class (eg *transmission lines* and *substations*); or (ii) category driver (eg *regulatory obligations or requirements*, replacement, *reliability*, net market benefit, and business support), and also by location, together with: (iii) details of all amounts, values and other inputs used by the *Transmission Network Service Provider* to compile those depreciation schedules; (iv) a demonstration that those depreciation schedules conform with the requirements set out in clause 6A.6.3(b); and (v) an explanation of the calculation of the amounts, values and inputs referred to in subparagraph (iii); (8) the X factors nominated by the *Transmission Network Service Provider* for each *regulatory year* of the relevant *regulatory control period* for the purposes of clause 6A.6.8(a), together with a demonstration that those X factors comply with the requirements set out in clause 6A.6.8(b) of the *Rules*; (9) the commencement and length of the *regulatory control period* proposed by the *Transmission Network Service Provider*; and (10) if the *Transmission Network Service Provider* is seeking a determination by the *AER* that a *proposed contingent project* is a *contingent project* for the purposes of the relevant *revenue determination*: (i) a description of the *proposed contingent project*, including reasons why the *Transmission Network Service Provider* considers the project should be accepted as a *contingent project* for the *regulatory control period*; (ii) a forecast of the capital expenditure which the *Transmission Network Service Provider* considers is reasonably required for the purpose of undertaking the *proposed contingent project*; (iii) the methodology used for developing that forecast and the key assumptions that underlie it; (iv) information that demonstrates that the undertaking of the *proposed contingent project* is reasonably required in order to achieve one or more of the *capital expenditure objectives*; (v) information that demonstrates that the *proposed contingent capital expenditure* for the *proposed contingent project* complies with the requirements set out in clause 6A.8.1(b)(2); and (vi) the *trigger events* which are proposed in relation to the *proposed contingent project* and an explanation of how each of those conditions or events addresses the matters referred to in clause 6A.8.1(c).	(5) The details of the regulatory asset base calculation are set out in Chapter 7 of the revenue proposal. Both the RFM and PTRM are submitted together with the revenue proposal. (6) (Deleted.) (7) The depreciation calculation is discussed in Chapter 10 and the depreciation schedule is set out in Appendix AD. The detailed calculation is contained in the PTRM submitted with the revenue proposal. (8) The X factors are set out in section 13.3 of the revenue proposal, and the NPV calculation is shown in the PTRM. (9) The proposed regulatory control period is set out in Section 2.6 of the revenue proposal. (10) The proposed contingent projects are set out in Section 5.3.7 and detailed in Appendix L. The methodology used for developing the forecast capital expenditure for the contingent projects is the same methodology used for all forecast capital expenditure, and is set out in Section 5.5.

Submission Checklist – Pricing Methodology

The table below demonstrates that TransGrid's pricing methodology meets the requirements of the *Pricing Methodology Guidelines* and therefore complies with the Rules. The table lists each provision of the Guidelines and provides a cross reference to the relevant section of TransGrid's pricing methodology that addresses each provision.

Clause	Addressed in Pricing Methodology
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 *TNSP*s providing *prescribed transmission services*. (b) If there are multiple *TNSP*s 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	Section 1 explains that TransGrid is the Co-ordinating TNSP for transmission pricing purposes for the New South Wales market region.
(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 *Coordinating Network Service Provider* and identify the parts of its proposed *pricing methodology* which will be dealt with by the *Coordinating Network Service Provider*.	Not applicable.
(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.	Section 5 and Appendix A provides this information.
(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:	Section 6.1 provides this information.
A. an explanation of how the costs referred to in clause 6A.22.3(a) of the *National Electricity Rules* will be calculated; and	Section 6.1 provides this information. The example provided in section 6.2 illustrates how these costs will be calculated.
B. hypothetical worked examples for each *category of prescribed transmission service*;	Section 6.2 sets out a worked example of how the revenue requirements are allocated to each particular service category.
(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	Appendix C provides information - including examples - on the priority ordering process.
(3) how asset costs which may be attributable to both *prescribed entry services* and *prescribed exit services* will be allocated.	Sections 7.1 and 8.1 provide this information.
(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;	Section 7.1 provides this information.
B. hypothetical worked examples; and	Section 7.2 provides worked examples showing how the allocation of revenue is applied to entry and exit services.

Clause			Addressed in Pricing Methodology
		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;	Section 8.1 provides this information.
	(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*;	Sections 7.1, 7.3.1 and 7.3.2 provide this information.
	(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*;	Sections 8.1 to 8.4 inclusive provide this confirmation.
	(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;	Section 8.1 provides this confirmation.
	(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:	Section 8.2 provides this information.
		A. the time period for the allocation of *generation* to *load* as prescribed in clause S6A.3.2(3) of the *National Electricity Rules*;	Section 7.3.2 provides this information.
		B. how prices will be structured to comply with the *National Electricity Rules* and these *guidelines*; and	Section 8.2 provides this information, explaining that the pricing structure is unchanged from the current approved methodology.
		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;	Section 10.1 sets out the billing arrangements.
	(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	Section 8.3 provides this information.
	(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*.	Section 8.4 provides this information.
(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*.		Section 8.6 provides this information.
(h)	If a *TNSP* expects to calculate a postage stamped charge 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*.		Section 8.6 provides this information.
(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*.		The information provided in the *Transmission Pricing Methodology - Better Outcomes for Customers* paper in Appendix AH of the proposal demonstrates that the pricing principles in 6A.23.4 (a)-(j) have been satisfied.
(j)	Details of any proposed transitional arrangements the *TNSP* considers necessary as a result of the implementation of its *pricing methodology*.		Section 15 sets out transitional arrangements.

Clause		Addressed in 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 rule 6A.26 of the *National Electricity Rules*.	Section 12 provides information on prudent discounts.
(l)	Details of billing arrangements with *Transmission Network Users* and transfers between *TNSP*s conducted in accordance with rule 6A.27 of the *National Electricity Rules*.	Section 10 provides this information.
(m)	Details of the nature of *prudential requirements* as outlined in rule 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*.	Section 11 provides this information.
(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.	As noted in section 15, no confidentiality claims are made by TransGrid in relation to the pricing methodology.
(o)	Details of any derogation in accordance with chapter 9 of the *National Electricity Rules*.	Section 15 explains that apart from provisions contained in Power Supply Agreements (as defined in Chapter 9 of the Rules) Chapter 9 derogations do not impact on the arrangements in TransGrid's pricing methodology.
(p)	Details of any transitional arrangements which apply in accordance with chapter 11 of the *National Electricity Rules*.	Not applicable. The relevant transitional issues are set out in section 15.
(q)	The period over which the proposed *pricing methodology* will apply.	Section 2 provides this information.
(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*.	Section 14 provides this information.
(s)	Details of how the *TNSP* intends to 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*.	Section 13 provides this information.
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*.	Sections 7.3.2 and 8.2 explain how this requirement has been met.
(b)	The *CRNP* methodology and modified *CRNP* methodology outlined in S6A.3 of the *National Electricity Rules* provides 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*.	Sections 7.3.2 and 7.3.3 explain TransGrid's approach to applying to CRNP methodology.
(c)	The following measures of demand may be applied to the lump sum dollar amount referred to in section 2.2(b) of these *guidelines* 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.	Section 8.2 explains that TransGrid's proposed pricing structure is unchanged from the current approved methodology. It differs from the suggested approaches in this clause – however, as a continuation of the existing pricing approach, TransGrid considers that it complies with the Rules.

Clause		Addressed in Pricing Methodology
(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*.	Section 8.2 sets out TransGrid's approach to recovering locational TUOS costs. As noted above, the approach is unchanged from the current approved methodology, and as such a continuation of this charging arrangement is regarded as consistent with the NEM objective.
(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.	Section 7.3.2 explains TransGrid's approach where historical data are unavailable.
(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*:	Section 8.3 explains that if a customer has agreed a nominated maximum demand with TransGrid, prices will be levied to that customer on the basis of that demand. Section 8.5 addresses matters relating to excess demand charges.
	(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.	Section 8.2 explains TransGrid's approach to applying the locational TUOS price.
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.	Sections 8.3 and 8.4 explain how this requirement has been met.
(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:	Sections 8.3 and 8.4 explain how this requirement has been met.
	(1) either *contract agreed maximum demand* or historical *energy*;	
	(2) *maximum demand*; or	
	(3) an alternative pricing structure proposed by the TNSP.	
(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	Not applicable. Sections 8.3 and 8.4 explain that postage stamp charges are to be recovered on a maximum demand basis.
	B. a *contract agreed maximum demand* price that is a price per unit of *contract agreed maximum demand* at a *connection point*.	Sections 8.3 and 8.4 explain that if a customer has agreed a contract maximum demand with TransGrid, prices will be levied to that customer on the basis of that demand.

Clause			Addressed in Pricing Methodology
	(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*.	Section 12 addresses prudent discounts.
	(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 *region*s is indifferent between the use of the *energy based price* and the *contract agreed maximum demand* price; and	Not applicable, as energy based postage stamp prices are not applied, as explained in sections 8.3 and 8.4.
		B. the total amount to be recovered by *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*.	Sections 8.3 and 8.4 explain that prices are calculated to satisfy this requirement.
	(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:	Not applicable, as energy based postage stamp prices are not applied, as explained in sections 8.3 and 8.4.
		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 period*s in the *financial year*.	Sections 8.3 and 8.4 explain how this requirement has been met.
	(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*.	Not applicable, as energy based postage stamp prices are not applied, as explained in sections 8.3 and 8.4.
	(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*:	Sections 8.3 and 8.4 explain that if a customer has agreed a contact maximum demand with TransGrid, prices will be levied on that basis. Section 8.5 addresses matters relating to excess demand charges.
		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*;	Sections 8.3 and 8.4 explain TransGrid's approach, which accords with this requirement.
	(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*.	Section 12 addresses prudent discounts, which is the subject of clause 6A.26.1, and explains that this requirement is met.

Clause		Addressed in Pricing Methodology
	(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.*	Sections 8.3 and 8.4 explain TransGrid's approach, which accords with this requirement.
(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.	Not applicable. TransGrid's approach accords with clause 2.3(b)(2) of the Pricing Methodology Guidelines.
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 *TNSP*s connecting *generators' generating systems* to the *TNSP*'s *transmission network*; and E. *meters* associated with *prescribed entry services* and owned by the *TNSP*.	Section 6.1 explains that TransGrid's approach to attributing assets to prescribed entry services accords with these requirements.
	(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 customer*s connected at the *connection point*.	Section 6.1 explains that TransGrid's approach to attributing assets to prescribed exit services accords with these requirements.

Clause		Addressed in Pricing Methodology
(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*.	Section 6.1 explains that TransGrid's approach to attributing assets to prescribed TUOS services accords with these requirements.
(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.	Section 6.1 explains that TransGrid's approach to attributing assets to prescribed common services accords with these requirements.
(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*.	No additional types of assets are included in the pricing methodology.
(c)	A *TNSP* must justify the inclusion of any additional types of *transmission system* assets referred to in section 2.4(b) of these *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*.	The proposed pricing methodology, along with this accompanying explanatory paper are intended to be published.

Clause		Addressed in Pricing Methodology
(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*.	As noted in Section 15, no confidentiality claims are made by TransGrid in relation to the pricing methodology.
(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) of these *guidelines* 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.	

Submission Checklist – Negotiating Framework

The following table provides a checklist against the AER "minimum information requirements" (AER MIR) checklist.

No	AER MIR	Requirement	Rule Reference	TransGrid's Framework Reference
1	Bullet point 1	Specify a requirement for the TNSP to provide a description to the *service applicant* of the nature of the *negotiated transmission service* that is the subject of negotiation, including details of what the TNSP would provide to the *service applicant* as part of that service.	No direct applicable Rule clause	See Background – items D, E and F.
2	Bullet point 2	Consistent with clause 6A.9.5(c)(1) of the NER, 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.	Clause 6A.9.5(c)(1)	See Section 2 – item 2.1.
3	Bullet point 3	Consistent with clause 6A.9.5(c)(2) of the NER, 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 below.	Clause 6A.9.5(c)(2)	See Section 6.
4	Bullet point 4	Consistent with clause 6A.9.5(c)(3) of the NER, 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 proving 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).	Clause 6A.9.5(c)(3)(i) and (ii)	See Section 6 – item 6.1.3
5	Bullet point 5	Consistent with clause 6A.9.1(1) of the NER, 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*.	Clause 6A.9.1(1)	See Section 2 – item 2.2.
6	Bullet point 6	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*.	No direct applicable Rule clause	See Section 6 – item 6.1.2.
7	Bullet point 7	Consistent with clause 6A.9.5(c)(4) of the NER, 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.	Clause 6A.9.5(c)(4)	See Sections 4 and 5.
8	Bullet point 8	Consistent with clause 6A.9.5(c)(5) of the NER, 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 (2) each party to the negotiation to use its reasonable endeavours to adhere to those time periods during the negotiation.	Clause 6A.9.5(c)(5)	See Section 3.
9	Bullet point 9	Consistent with clause 6A.9.5(c)(6) of the NER, 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.	Clause 6A.9.5(c)(6)	See Section 9.
10	Bullet point 10	Consistent with clause 6A.9.5(c)(7) of the NER, 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*.	Clause 6A.9.5(c)(7)	See Section 10.
11	Bullet point 11 [Note: new requirement]	Consistent with clause 6A.10.1(e) of the NER, include the information required under *the Pricing methodology guideline*.	Clause 6A.10.1(e)	See Section 6 – item 6.1.4.

The following table provides a checklist against additional matters not referred to in the AER MIR.

No	Requirement	Rule Reference	TransGrid's Framework Reference
1	A requirement that the *Transmission Network Service Provider* determine the potential impact on other *Transmission Network Users* of the provision of the *negotiated transmission service*	Clause 6A.9.5(c)(8)	See Section 7 – item 7.1.
2	A requirement that the *Transmission Network Service Provider* must notify and consult with any affected *Transmission Network Users* and ensure that the provision of the *negotiated transmission services* does not result in non-compliance with obligations in relation to other *Transmission Network Users* under the *Rules*	Clause 6A.9.5(c)(9)	See Section 7 – item 7.2.
3	The *negotiating framework* must not be inconsistent with any of the other requirements of Chapters 4, 5 and this Chapter 6A of the *Rules* and, in the event of any inconsistency, the other requirements in the *Rules* prevail.	Clause 6A.9.5(d)	See Section 1 – item 1.3.
4	Each *Transmission Network Service Provider* and *Service Applicant* who is negotiating for the provision of a *negotiated transmission service* by the provider must comply with the requirements of the *negotiating framework* in accordance with its terms.	Clause 6A.9.5(e)	See Section 1 – item 1.2.
5	Commercial information which is required to be provided to a *Service Applicant* in accordance with clause 6A.9.5(c)(2): (1) does not include confidential information provided to the *Transmission Network Service Provider* by another person; and (2) may be provided subject to a condition that a *Service Applicant* must not provide any part of that commercial information to any other person without the consent of the *Transmission Network Service Provider* which provided the information to that applicant.	Clause 6A.9.6(a)	See Section 4 – item 4.4 and Section 5 – item 5.3.
6	Commercial information which is required to be provided to a *Transmission Network Service Provider* in accordance with clause 6A.9.5(c)(4): (1) does not include confidential information provided to a *Service Applicant* by another person; and (2) may be provided subject to a condition that the *Transmission Network Service Provider* must not provide any part of that commercial information to any other person without the consent of the *Service Applicant* which provided the information to the provider.	Clause 6A.9.6(b)	See Section 6 – item 6.2.
7	Part K of this Chapter 6A applies to any dispute which may arise between a *Transmission Network Service Provider* and a *Service Applicant* as to the *terms and conditions of access* which the provider proposes to apply to the *Service Applicant* for the provision of a *negotiated transmission service*.	Clause 6A.9.7	See Section 9.