

Appendix A - Negotiating Framework SA Power Networks

2025-2030 Regulatory Proposal

SA Power Networks

Empowering South Australia

Company information

SA Power Networks is the registered Distribution Network Service Provider for South Australia. For information about SA Power Networks visit sapowernetworks.com.au

Contact

For enquiries about this Revenue Proposal please contact:
Richard Sibly
Head of Regulation
SA Power Networks
GPO Box 77 Adelaide SA 5001 sapn2025proposal@sapowernetworks.com.au

Disclaimer

This document forms part of SA Power Networks' Regulatory Proposal to the Australian Energy Regulator for the 1 July 2025 to 30 June 2030 regulatory control period. The Proposal and its attachments were prepared solely for the current regulatory process and are current as at the time of lodgement.

This document contains certain predictions, estimates and statements that reflect various assumptions concerning, amongst other things, economic growth and load growth forecasts. The Proposal includes documents and data that are part of SA Power Networks' normal business processes and are therefore subject to ongoing change and development.

Whilst care was taken in the preparation of the information in this Regulatory Proposal, and it is provided in good faith, SA Power Networks, its officers and shareholders accept no responsibility or liability for any loss or damage that may be incurred by any person acting in reliance on this information or assumptions drawn from it for a different purpose or in a different context.

Copyright

This publication is copyright. SA Power Networks reserves to itself all rights in relation to the material contained within this publication. You must not reproduce any content of this publication by any process without first obtaining SA Power Networks' permission, except as permitted under the Copyright Act 1968 (Cth).

© All rights reserved.

Note

This attachment forms part of our Proposal for the 2025-30 Regulatory Control Period. It should be read in conjunction with the other parts of the Proposal.

Our Proposal comprises the overview and attachments listed below, and the supporting documents that are listed in Attachment 20:

Document	**Description**
	Regulatory Proposal overview
Attachment 0	Customer and stakeholder engagement program
Attachment 1	Annual revenue requirement and control mechanism
Attachment 2	Regulatory Asset Base
Attachment 3	Rate of Return
Attachment 4	Regulatory Depreciation
Attachment 5	Capital expenditure
Attachment 6	Operating expenditure
Attachment 7	Corporate income tax
Attachment 8	Efficiency Benefit Sharing Scheme
Attachment 9	Capital Expenditure Sharing Scheme
Attachment 10	Service Target Performance Incentive Scheme
Attachment 11	Customer Service Incentive Scheme
Attachment 12	Demand management incentives and allowance
Attachment 13	Classification of services
Attachment 14	Pass through events
Attachment 15	Alternative Control Services
Attachment 16	**Negotiated services framework and criteria**
Attachment 17	Connection Policy
Attachment 17	Tariff Structure Statement Part A
Attachment 18	Tariff Structure Statement Part B - Explanatory Statement
Attachment 19	Legacy Metering
Attachment 20	List of Proposal documentation

Contents

Preamble **5**

Negotiating Framework **6**

1. Negotiated Distribution Services 6
2. Definitions 6
3. Interpretation 7
4. Application of Negotiating Framework 7
5. Obligation to negotiate in good faith 8
6. Provision of Commercial Information by Service Applicant 8
7. Provision of Commercial Information by SA Power Networks 8
8. Negotiating Distribution Service Criteria 9
9. Timeframe for negotiations of Negotiated Distribution Services 9
10. Assessment and Review of Charges and Basis of Charges 10
11. Determining impact on, and consultation with, affected Distribution Network Users 10
12. Suspension of Timeframe for Provision of a Negotiated Distribution Service 11
13. Dispute Resolution 11
14. Payment of SA Power Networks' application fee 11
15. Termination of Negotiations 11
16. Publication of negotiation results 12
17. Giving notices 12
18. Parties to agreement 12
19. Time Notice is Given 12
20. Time for Action 12
21. Severability 13
22. Governing law and jurisdiction 13

Schedule 1 Negotiated Distribution Service Criteria **14**

Preamble

Chapter 6 of the National Electricity Rules (the Rules) requires that:

- Distribution Network Service Providers (DNSPs) prepare a document setting out the procedure to be followed during negotiations between it and any person (the Service Applicant) who wishes to receive a negotiated distribution service, as to the terms and conditions of access for the provision of the service (Rule 6.7.5(a));
- the negotiating framework complies with and is consistent with the applicable requirements of the DNSP's distribution determination (Rule 6.7.5(b)); and
- the negotiating framework complies with and is consistent with the applicable requirements of Rule 6.7.5(c), which sets out the minimum requirements for a negotiating framework.

This document replaces SA Power Networks' Negotiating Framework 2020 – 25. It has been prepared in accordance with SA Power Networks' obligations under Rule 6.7.5(a) of the Rules.

This document applies to SA Power Networks and any Service Applicant who applies to receive a negotiated distribution service. This document does not apply to the provision of standard control services, alternative control services or unregulated distribution services.

This document specifies the Negotiated Distribution Service Criteria and our information disclosure process, and identifies the timetable that will apply to each categorisation of negotiated distribution services, noting that, in relation to the determination of access disputes, Part 10 of the National Electricity Law (NEL) and Part L of Chapter 6 of the Rules are applicable.

Various provisions of the NEL and the Rules are relevant to the provision of negotiated distribution services by SA Power Networks. This negotiating framework is subject to the provisions of the NEL and the Rules, which may include provisions that are specific to South Australia in Chapter 9 of the Rules.

For the regulatory control period from 1 July 2025 to 30 June 2030 (2025-30 RCP), the AER has not classified any of SA Power Networks' distribution services as negotiated distribution services. SA Power Networks is not proposing to offer any negotiated distribution services in the 2025–30 RCP. SA Power Networks therefore does not expect to apply this negotiating framework in the 2025–30 RCP.

Negotiating Framework

1. **Negotiated Distribution Services**
   1.1. The Rules specify that a negotiated distribution service is a negotiated network service within the meaning of section 2C of the NEL.
   1.2. The AER has not classified, and SA Power Networks does not propose to provide, any negotiated distribution services during the 2025-30 RCP.

2. **Definitions**
   In this document the following definitions apply:

   Business Day means a day on which all banks are open for business generally in Adelaide, South Australia.

   Commercial Information will include at a minimum, the following classes of information in relation to a Service Applicant, where applicable:
   (a) details of corporate structure, financial details relevant to creditworthiness and commercial risk and ownership of assets;
   (b) technical information relevant to the application for a negotiated distribution service;
   (c) financial information relevant to the application for a negotiated distribution service;
   (d) details of an application's compliance with any law, standard, Rules or guideline.

   Charges means the amount payable by a Service Applicant to SA Power Networks in relation to the provision of a negotiated distribution service.

   Costs means any costs or expenses incurred by SA Power Networks in complying with this Negotiating Framework or otherwise advancing the Service Applicant's request for the provision of a negotiated distribution service and such other costs or expenses required to provide negotiated distribution services to a Service Applicant, consistent with the economic concepts applied to economic regulation under the Rules, and in compliance with SA Power Networks' Cost Allocation Methodology and any relevant part of a distribution determination applying to SA Power Networks.

   SA Power Networks means SA Power Networks ABN 13 332 330 749.

   Negotiated Distribution Service(s) means those services classified as negotiated distribution services in a current Distribution Determination for SA Power Networks.

   Negotiated Distribution Service Criteria or NDSC are set out in Schedule 1.

   Price(s) means the amount (Charge) payable by a Service Applicant to SA Power Networks in relation to the provision of a negotiated distribution service.

   Service Applicant means the person requesting the provision of a negotiated distribution service.

   Solvency Default means the occurrence of any of the following events in relation to the Service Applicant:
   (a) an originating process or application for the winding up of the Service Applicant (other than a frivolous or vexatious application) is filed in a court or a special resolution is passed to wind up the Service Applicant, and is not dismissed before the expiration of 60 days from service on the Service Applicant;
   (b) a receiver, receiver and manager or administrator is appointed in respect of all or any part of the assets of the Service Applicant, or a provisional liquidator is appointed to the Service Applicant;

(c) a mortgagee, chargee or other holder of security, by itself or by or through an agent, enters into possession of all or any part of the assets of the Service Applicant;
(d) a mortgage, charge or other security is enforced by its holder or becomes enforceable or can become enforceable with the giving of notice, lapse of time or fulfilment of a condition;
(e) the Service Applicant stops payment of, or admits in writing its inability to pay, its debts as they fall due;
(f) the Service Applicant applies for, consents to, or acquiesces in the appointment of a trustee or receiver of the Service Applicant or any of its property;
(g) a court appoints a liquidator, provisional liquidator, receiver or trustee, whether permanent or temporary, of all or any part of the Service Applicant's property;
(h) the Service Applicant takes any step to obtain protection or is granted protection from its creditors under any applicable legislation or a meeting is convened or a resolution is passed to appoint an administrator or controller (as defined in the Corporations Act 2001), in respect of the Service Applicant;
(i) a controller (as defined in the Corporations Act 2001) is appointed in respect of any part of the property of the Service Applicant;
(j) except to reconstruct or amalgamate while solvent, the Service Applicant enters into or resolves to enter into a scheme of arrangement, compromise or reconstruction proposed with its creditors (or any class of them) or with its members (or any class of them) or proposes re-organisation, re-arrangement moratorium or other administration of the Service Applicant's affairs;
(k) the Service Applicant is the subject of an event described in section 459C(2)(b) of the Corporations Act 2001; or
(l) anything analogous or having a substantially similar effect to any of the events specified above happens in relation to the Service Applicant.

3. Interpretation

3.1. In this document, unless the context otherwise requires:
(a) terms defined in the NEL and the Rules have the same meaning in this Negotiating Framework;
(b) a reference to any law or legislation or legislative provision includes any statutory modification, amendment or re -enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision;
(c) a reference to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced from time to time;
(d) a reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this document unless otherwise stated;
(e) an expression importing a natural person includes any company, trust, partnership, joint venture, association, corporation, body corporate or governmental agency; and
(f) a covenant or agreement on the part of two or more persons binds them jointly and severally.

4. Application of Negotiating Framework

4.1. This Negotiating Framework applies to SA Power Networks and:
(a) Each Service Applicant who has made an application in writing to SA Power Networks for the provision of a negotiated distribution service or a variation to an existing negotiated distribution service; and
(b) Each Service Applicant or prospective Service Applicant participating in consultation on the provision of a negotiated distribution service or a variation to an existing negotiated distribution service.

4.2. SA Power Networks and any Service Applicant who wishes to receive a negotiated distribution service or vary an existing negotiated distribution service from SA Power Networks must comply with the requirements of this Negotiating Framework.

4.3. The requirements set out in this Negotiating Framework are additional to any requirements or obligations contained in Rules 5.3 (Establishing or Modifying Connection), 5.3A (Establishing or modifying connection - embedded generation) and 5.3AA (Access arrangements relating to Distribution Networks). In the event of any inconsistency between this Negotiating Framework and any other requirements in the Rules, the requirements of the Rules will prevail.

4.4. Nothing in this Negotiating Framework or in the Rules will be taken as imposing an obligation on SA Power Networks to provide any service to the Service Applicant.

4.5. As no negotiated distribution services will be provided in the 2025-30 RCP, SA Power Networks does not expect to apply this Negotiating Framework in the 2025-30 RCP.

5. Obligation to negotiate in good faith

5.1. SA Power Networks and the Service Applicant must negotiate in good faith the terms and conditions for the provision by SA Power Networks of a negotiated distribution service sought by the Service Applicant.

6. Provision of Commercial Information by Service Applicant

6.1. SA Power Networks may give notice to the Service Applicant requesting Commercial Information held by the Service Applicant that is reasonably required by SA Power Networks to enable it to engage in effective negotiations with the Service Applicant in relation to the application.

Confidentiality Requirements

6.2. For the purposes of clause 6, Commercial Information does not include:

(a) Confidential information provided to the Service Applicant by another person; or

(b) Information that the Service Applicant is prohibited, by law, from disclosing to SA Power Networks.

6.3. Commercial Information may be provided by the Service Applicant subject to reasonable conditions, which may include a condition that SA Power Networks not disclose the Commercial Information to any other person unless the Service Applicant consents in writing to the disclosure or it is otherwise compelled to do so by law.

6.4. In respect of any confidential information that may be provided by the Service Applicant to SA Power Networks, the Service Applicant may require SA Power Networks to enter into a confidentiality agreement in respect of this information, on terms reasonably acceptable to both parties, with the Service Applicant.

6.5. A consent to disclose Commercial Information provided by the Service Applicant in accordance with clause 6.3 may be subject to the condition that the person to whom SA Power Networks discloses the Commercial Information is also subject to a condition that the person does not provide any part of that Commercial Information to any other person without the consent of the Service Applicant.

7. Provision of Commercial Information by SA Power Networks

7.1. SA Power Networks must provide the following Commercial Information to the Service Applicant, upon written request, where such information is reasonably required by the Service Applicant to enable them to engage in effective negotiations with SA Power Networks for the provision of a negotiated distribution service:

(a) a description of the nature of the negotiated distribution service including what SA Power Networks would provide to the Service Applicant as part of that service;

(b) the charges applicable for providing the service based on the information that is available to SA Power Networks;

(c) the terms and conditions upon which SA Power Networks would provide the negotiated distribution service to the Service Applicant;

(d) the reasonable costs and/or the increase or decrease in costs (as appropriate) in providing the negotiated distribution service to the Service Applicant;

(e) a demonstration to the Service Applicant that the charges for providing the negotiated distribution service are in compliance with SA Power Networks' Negotiating Distribution Service Criteria (NDSC) and Cost Allocation Methodology (CAM);
(f) information referred to under clause 8 in relation to the assessment and review of the basis of charges; and
(g) any other information that the Service Applicant reasonably requires to enable effective negotiation on the price and the terms and conditions associated with the provision of the negotiated distribution service.

7.2. For the purposes of clause 7.1, SA Power Networks will only provide information that is materially and clearly relevant to the negotiations. Service Applicants must be able to substantiate the reasonableness of any information request.

Confidentiality Requirements

7.3. For the purposes of clause 7.1, Commercial Information does not include:
(a) Confidential information provided to SA Power Networks by another person; or
(b) Information that SA Power Networks is prohibited, by law or other regulatory obligations, from disclosing to the Service Applicant.

7.4. SA Power Networks may provide the Commercial Information in accordance with clause 7.1 subject to relevant conditions including the condition that the Service Applicant must not disclose the Commercial Information to any other person unless SA Power Networks consents in writing to the disclosure. SA Power Networks may require the Service Applicant to enter into a confidentiality agreement with SA Power Networks, on terms reasonably acceptable to both parties, in respect of Commercial Information provided to the Service Applicant.

7.5. A consent provided to a Service Applicant in accordance with clause 7.4 may be subject to the condition that a person to whom the Service Applicant discloses the Commercial Information must enter into a separate confidentiality agreement with SA Power Networks.

8. Negotiating Distribution Service Criteria

8.1. In developing its prices for negotiated distribution services, SA Power Networks will comply with:
(a) the AER approved NDSC which are reproduced in Schedule 1; and
(b) any local jurisdictional requirements.

9. Timeframe for negotiations of Negotiated Distribution Services

9.1. Clause 9.2 and Table 1 set out the timeframe for commencing, progressing and finalising negotiations in relation to applications for negotiated distribution services. The timeframe set out in clause 9.2 may be suspended in accordance with clause 12.

9.2. Timeframes:
(a) The specified time for commencing, progressing and finalising negotiations with a Service Applicant is as set out in Table 1.
(b) SA Power Networks and the Service Applicant will use reasonable endeavours to adhere to the time periods specified in Table 1 and may, by agreement, extend any such time period.
(c) The preliminary program finalised under event "C" in Table 1 may be modified from time to time by agreement between the parties, where such agreement must not be unreasonably withheld. Any such amendment to the preliminary program will be taken to be a reasonable period of time for commencing, progressing and finalising negotiations with a Service Applicant for the provision of the negotiated distribution service.

Table 1. Timeframe for commencing, progressing and finalising negotiations

Event		Indicative timeframe: X plus[1]
A.	Receipt of an application to negotiate in respect of a negotiated distribution service, including advice that a Service Applicant wishes to negotiate in respect of a negotiated distribution service. The application must be made by completing an Application Form in accordance with SA Power Networks' publications or as otherwise agreed with SA Power Networks. The application must include all information required by SA Power Networks to make an offer and the Service Applicant must pay the application fee where requested.	Clock Starts (0 Business Days)
B.	Parties discuss a preliminary negotiation program with milestones that represent a reasonable period of time for commencing, progressing and finalising negotiations.	15 Business Days
C.	Parties finalise negotiation program, which may include, without limitation, milestones relating to: • the provision of Commercial Information by SA Power Networks and the Service Applicant in relation to clauses 6 and 7; • notification and consultation with any affected Distribution Network Users in relation to clause 10; • the negotiated distribution service being specified by the Service Applicant; and • the notification by SA Power Networks of its charges related to processing the application and the payment of those charges by the Service Applicant as per clause 14.	30 Business Days;
D.	Parties progress negotiations and the Service Applicant specifies to SA Power Networks the exact negotiated distribution service that is required to be provided.	40 Business Days
E.	Parties finalise negotiations.	65 Business Days

10. Assessment and Review of Charges and Basis of Charges

10.1. SA Power Networks will annually assess and review proposed charges for negotiated distribution services (if any) and the basis upon which those charges are made.

10.2. SA Power Networks must make information on the assessment and review available to the Service Applicant in accordance with clause 7.

11. Determining impact on, and consultation with, affected Distribution Network Users

11.1. SA Power Networks will determine the potential impact on Distribution Network Users, other than the Service Applicant, of the provision of each negotiated distribution service.

11.2. SA Power Networks must notify and consult with any affected Distribution Network Users and take reasonable steps to ensure that the provision of the negotiated distribution service does not result in non-compliance with obligations to other Distribution Network Users under the Rules.

[1] 'X' being the date that the application or advice is received by SA Power Networks.

12. Suspension of Timeframe for Provision of a Negotiated Distribution Service

12.1. The timeframes for the negotiation of the provision of a negotiated distribution service in Table 1, or the timeframes that have been otherwise agreed between the parties, are suspended if:

(a) a dispute in relation to the negotiated distribution service has been notified to the AER under Part 10 of the NEL, such suspension being from the date of notification of that dispute to the AER until the earlier of:

(i) the withdrawal of the dispute under section 126 of the NEL;

(ii) the termination of the dispute by the AER under section 131 or 132 of the NEL; or

(iii) determination of the dispute by the AER under section 128 of the NEL;

(b) within 10 Business Days or as otherwise agreed between the parties of SA Power Networks requesting additional Commercial Information from the Service Applicant pursuant to clause 6, the Service Applicant has not supplied that Commercial Information;

(c) without limiting clauses 12.1(a) or 12.1(b), the Service Applicant does not promptly conform with any of its obligations as required by this Negotiating Framework or as otherwise agreed between the parties;

(d) SA Power Networks has been required to notify and consult with any affected Distribution Network Users under clause 10. Under these circumstances, the timeframes will be suspended from the date of notification to the affected Distribution Network Users until the end of the time limit specified by SA Power Networks for consulting with affected Distribution Network Users, or the receipt of such information from the affected Distribution Network Users whichever is the later regarding the provision of the negotiated distribution service; or

(e) the Service Applicant has not paid the application fee by the due date, with the suspension ceasing once the application fee is paid.

12.2. Each party will notify the other party if it considers that the timeframe has been suspended, within 5 Business Days of the relevant suspension event occurring.

12.3. An application is not terminated by a suspension, unless a termination notice is issued under clause 15.

13. Dispute Resolution

13.1. Where negotiations with the Service Applicant fail to agree on the price or the terms and conditions of the service, it will be referred to the AER's dispute resolution processes in accordance with Part 10 of the NEL and Chapter 6 Part L of the Rules, as applicable.

14. Payment of SA Power Networks' application fee

14.1. SA Power Networks may request from the Service Applicant an application fee relating to SA Power Networks' reasonable direct expenses associated with processing the Service Applicant's application for the service.

14.2. The Service Applicant must pay the application fee within 10 Business Days of receipt of the request, for SA Power Networks to process the application and commence negotiations.

15. Termination of Negotiations

15.1. The Service Applicant may elect not to continue with its application for a negotiated distribution service and may terminate the negotiations by giving SA Power Networks written notice of its decision to do so.

15.2. SA Power Networks may terminate a negotiation under this Negotiating Framework by giving the Service Applicant written notice of its decision to do so where:

(a) SA Power Networks believes on reasonable grounds that the Service Applicant is not conducting the negotiation under this Negotiating Framework in good faith;

(b) the Service Applicant consistently fails to comply with the requirements of this Negotiating Framework;

(c) the Service Applicant fails to comply with an obligation in this Negotiating Framework to undertake or complete an action within a specified or agreed timeframe, and does not complete the relevant action within 20 Business Days of a written request from SA Power Networks;
(d) the Service Applicant fails to make required payments in relation to the negotiation or provision of the service; or
(e) an act of Solvency Default occurs in relation to the Service Applicant.

16. Publication of negotiation results

16.1. SA Power Networks will publish the results of negotiations on its website.

17. Giving notices

17.1. A notice, consent, information, application or request that must or may be given or made to a party under this Negotiating Framework is only given or made if it is in writing and delivered or posted to that party at its address set out below.

18. Parties to agreement

18.1. If a party gives the other party 3 Business Days notice of a change of its address, a notice, consent, information, application or request is only given or made by that other party if it is delivered, posted or electronically transmitted to the latest address:

SA Power Networks
1 Anzac Highway, Keswick, South Australia 5035
Postal address: GPO Box 77, Adelaide, South Australia 5001 e-mail:
customerrelations@sapowernetworks.com.au

Name of the Service Applicant
Address: The nominated address of the Service Applicant provided to SA Power Networks as part of the application.

19. Time Notice is Given

19.1. A notice, consent, information, application or request is to be treated as given or made at the following time:
(a) if it is handed to the Service Applicant, on the day that this occurs;
(b) if it is delivered, when it is left at the relevant address;
(c) if it is sent by post, 6 Business Days after it is posted;
(d) if sent by facsimile transmission, on the day the transmission is sent, but only if the sender has a confirmation report specifying a facsimile number of the recipient, the number of pages sent and the date of transmission; or
(e) if sent by e-mail, on the day the e-mail is sent, provided that a confirmation that the e-mail was received by the recipient is received by the sender.

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

20. Time for Action

20.1. If the day on or by which something is required to be done is not a Business Day, that thing must be done on or by the next Business Day.

21. Severability

21.1. If a clause or part of a clause of this Negotiating Framework can be read in a way that makes it illegal, unenforceable or invalid, but can also be read in a way that makes is legal, enforceable and valid, it must be read in the latter way.

21.2. If any clause or part of a clause is illegal, unenforceable or invalid, that clause or part is to be treated as removed from this Negotiating Framework, but the rest of this Negotiating Framework is not affected.

22. Governing law and jurisdiction

22.1. This document is governed by the law of the State of South Australia.

22.2. The parties submit to the non-exclusive jurisdiction of the courts of the State of South Australia.

22.3. The parties will not object to the exercise of judgment by the courts of the State of South Australia on any basis.

Schedule 1 Negotiated Distribution Service Criteria

National Electricity Objective

1. The terms and conditions of access for a negotiated distribution service, including the price that is to be charged for the provision of that service and any access charges, should promote the achievement of the national electricity objective.

Criteria for terms and conditions of access

Terms and Conditions of Access

2. The terms and conditions of access for a negotiated distribution service must be fair and reasonable and consistent with the safe and reliable operation of the power system in accordance with the Rules.
3. The terms and conditions of access for a negotiated distribution service must take into account the need for the service to be provided in a manner that does not adversely affect the safe and reliable operation of the power system in accordance with the Rules.
4. The terms and conditions of access for a negotiated distribution service (including in particular, any exclusions and limitations of liability and indemnities) must not be unreasonably onerous taking into account the allocation of risk between a distribution network service provider (DNSP) and any other party, the price for the negotiated distribution service and the costs to a DNSP of providing the negotiated distribution service.

Price of Services

5. The price for a negotiated distribution service should be based on the costs that a DNSP has incurred or incurs in providing that service, and must be determined in accordance with the principles and policies set out in the DNSP's Cost Allocation Method.
6. Subject to criteria 7 and 8, the price for a negotiated distribution service must be at least equal to the cost that would be avoided by not providing that service but no more than the cost of providing it on a stand alone basis.
7. If a negotiated distribution service is a shared distribution service that:
   7.1. exceeds any network performance requirements which it is required to meet under any relevant electricity legislation; or
   7.2. exceeds the network performance requirements set out in schedule 5.1a and 5.1 of the Rules,
   then the difference between the price for that service and the price for the shared distribution service which meets network performance requirements must reflect a DNSP's incremental cost of providing that service (as appropriate).
8. If a negotiated distribution service is the provision of a shared distribution service that does not meet or exceed the network performance requirements, the difference between the price for that service and the price for the shared distribution service which meets, but does not exceed, the network performance requirements should reflect the cost a DNSP would avoid by not providing that service (as appropriate).
9. The price for a negotiated distribution service must be the same for all Distribution Network Users unless there is a material difference in the costs of providing the negotiated distribution service to different Distribution Network Users or classes of Distribution Network Users.
10. The price for a negotiated distribution service must be subject to adjustment over time to the extent that the assets used to provide that service are subsequently used to provide services to another person, in which case such adjustment must reflect the extent to which the costs of that asset are being recovered through charges to that other person.
11. The price for a negotiated distribution service must be such as to enable a DNSP to recover the efficient costs of complying with all regulatory obligations or requirements associated with the provision of the negotiated service.

Criteria for access charges

Access Charges

12. Any access charges in respect of providing distribution network user access that is related to a negotiated distribution service (other than a negotiated distribution service referred to in principle (13) below), must be based on costs reasonably incurred by a DNSP in providing the distribution network user access, and, in the case of compensation referred to in clauses 5.3AA(f)(4)(ii) and (iii) of the Rules, on the revenue that is likely to be forgone and the costs that are likely to be incurred by a person referred to in those provisions where an event referred to in those provisions occurs (as appropriate).
13. This principle only applies to the provision of transmission network user access in relation to a declared transmission system of an adoptive jurisdiction. Any access charges in respect of providing transmission network user access that is related to a negotiated distribution service which would have been treated as a negotiated transmission services but for the operation of clause 6.24.2(c) of the Rules, must be based on costs reasonably incurred by a DNSP in providing that access, and, in the case of compensation referred to in clauses 5.4A(h) to (j) of the Rules (as preserved under clause 11.98.8(a)(2)), on the revenue that is likely to be foregone and the costs that are likely to be incurred by a person referred to in those provisions where an event referred to in those provisions occurs (as appropriate).