



NEGOTIATED CONNECTION CONTRACT PROCESS

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1.0 INTRODUCTION

Endeavour Energy provides a range of Basic Connection Services and Standard Connection Services to Connection Applicants. Endeavour Energy recognises that there may be circumstances where Connection Applicants require services that are neither Basic Connection Services nor Standard Connection Services, or where Applicants elect to negotiate the terms and conditions of their Connection Services.

This document is intended to inform Connection Applicants of their right to negotiate the terms and conditions of a connection contract with Endeavour Energy, and provide a summary of the negotiation process that must be followed by Connection Applicants and Endeavour Energy in accordance with clause 5A.D.2(b)(4) of Chapter 5A of the National Electricity Rules.

2.0 APPLICATION FOR CONNECTION SERVICES

Any retail customer, any person on their behalf or a real estate developer may apply to Endeavour Energy for a connection service (being either a new connection or a connection alteration) for their premises. Details of Endeavour Energy's application form and application process can be found on our web site at www.endeavourenergy.com.au.

Within 10 business days of receiving a complete Application or any additional information Endeavour Energy requires, Endeavour Energy will advise the Connection Applicant whether the connection service they have sought is a Basic Connection Service, a Standard Connection Service or neither.

Details of Endeavour Energy's Model Standing Offers for Basic and Standard Connection Services (together with the process by which offers are made and accepted) can be found on our web site at www.endeavourenergy.com.au.

3.0 RIGHT TO NEGOTIATE

Connection Applicants may negotiate a Negotiated Connection Contract with Endeavour Energy where:

- (a) the connection service sought by the Connection Applicant is neither a Basic Connection Service nor a Standard Connection Service; or
- (b) the connection service sought by the Connection Applicant is a Basic Connection Service or a Standard Connection Service, but the Connection Applicant elects to negotiate the terms and conditions on which the connection service is to be provided.

If the Connection Applicant elects, the negotiations may also extend to the provision of Supply Services available from Endeavour Energy.

4.0 NEGOTIATION PROCESS

Where a Connection Applicant seeks to negotiate a Negotiated Connection Contract, the Applicant and Endeavour Energy must negotiate in accordance with the negotiation process set out in Part C of Chapter 5A of the National Electricity Rules. A description of that process and framework is set out below.

4.1 Obligation to negotiate in good faith

The Connection Applicant and Endeavour Energy must negotiate in good faith.

4.2 Provision of information

- (a) The Connection Applicant must provide Endeavour Energy with any information that Endeavour Energy reasonably requires in order to negotiate on an informed basis. This might include, for example, estimates of average demand and maximum demand for electricity. Endeavour Energy will, if practicable, request any information it requires within 20 business days after the Connection Applicant's application is received.
- (b) Similarly, Endeavour Energy will as soon as practicable after receiving the Connection Applicant's application, or where applicable, as soon as possible after receiving additional information requested under paragraph (a) above, provide the Connection Applicant with any information that the Connection Applicant reasonably requires in order to negotiate on an informed basis. This will include:
 - (i) an estimate of the amount to be charged by Endeavour Energy for assessment of the application and the making of a connection offer for a Negotiated Connection Contract, under paragraph 5 below;
 - (ii) an estimate of Connection Charges and a statement of the basis on which they are calculated; and
 - (iii) if the Connection Applicant has elected to extend the negotiations to Supply Services, an estimate of any applicable charges for Supply Services and a statement of the basis on which they are calculated.

4.3 Consultation with third parties

If Endeavour Energy considers it necessary, it may consult with other users of the distribution network who may be adversely affected by the proposed New Connection or Connection Alteration.

4.4 Assessment

When assessing the Connection Applicant's application for a Negotiated Connection Contract, Endeavour Energy will determine:

- (a) the technical requirements for the proposed New Connection or Connection Alteration;
- (b) the extent and costs of any necessary augmentation of the distribution system;
- (c) any consequent change in charges for Distribution Use of System Services; and
- (d) any possible material effect of the proposed New Connection or Connection Alteration on the network Power Transfer Capability of the distribution network to which the New Connection or Connection Alteration is proposed to be made and any other distribution network that might be affected by the proposed New Connection or Connection Alteration.

4.5 Offer and acceptance

- (a) Endeavour Energy will use reasonable endeavours to make a Connection Offer to enter into a Negotiated Connection Contract that complies with the Connection Applicant's reasonable requirements.
- (b) Endeavour Energy will use its best endeavours to make a Connection Offer within 65 business days after the Connection Applicant's application is received. This time period does not include the time it takes the Connection Applicant to provide information reasonably required by Endeavour Energy under paragraph 4.2(a) above.
- (c) A Connection Offer by Endeavour Energy will specify the terms and conditions of the offer (and the terms and conditions relating to Supply Services where applicable) and will comply with the minimum requirements set out in Chapter 5A.
- (d) A Connection Offer will not include connections charges that are inconsistent with Endeavour Energy's Connection Policy.

- (e) A Connection Offer will remain open for 20 business days from the date of the offer. If the offer is not accepted during that time, the offer will lapse, unless otherwise agreed between Endeavour Energy and the Connection Applicant.

4.6 Formation of Negotiated Connection Contract

- (a) If the Connection Applicant accepts Endeavour Energy's Connection Offer, the terms and conditions of the Connection Offer become the terms and conditions of a Negotiated Connection Contract formed between the Connection Applicant and Endeavour Energy.
- (b) If requested by the Connection Applicant, Endeavour Energy will provide a copy of the Negotiated Connection Contract to the Connection Applicant.

4.7 Confidentiality

Each party must maintain the confidentiality of Confidential Information disclosed in the course of negotiations, unless disclosure is authorised by the party to whom the duty of confidentiality is owed, or authorised by law or by the NER.

4.8 Dispute resolution

- (a) The Connection Applicant may ask Endeavour Energy to review its decisions and processes in relation to the Connection Offer made in accordance with this negotiated connection contract process.
- (b) Endeavour Energy's procedures for dealing with complaints, disputes and requests for review of its decisions are set out in the Endeavour Energy Procedures for Customer Complaints, Appeals and Disputes which are available on request, and on Endeavour Energy's website at www.endeavourenergy.com.au.
- (c) If the Connection Applicant is a Small Customer, the Connection Applicant may, without any cost to the Connection Applicant, refer any complaint or dispute arising in connection with Endeavour Energy's decisions and process for negotiating and making a Connection Offer to the Energy and Water Ombudsman of NSW (**EWON**) and Endeavour Energy agrees to abide by any decision of EWON made in relation to such a dispute.
- (d) The Connection Applicant acknowledges that:
 - (i) EWON may require the Connection Applicant to provide Endeavour Energy with an opportunity to address the Connection Applicant's complaint or dispute in accordance with the Endeavour Energy Procedures for Customer Complaints, Appeals and Disputes before it will investigate the Connection Applicant's complaint or dispute; and
 - (ii) generally EWON expects Connection Applicants to have attempted to resolve the complaint or dispute with Endeavour Energy before contacting EWON.

4.9 Referral to Australian Energy Regulator

- (a) The processes and procedures described in paragraph 4.8 do not limit the Connection Applicant's rights under the National Electricity Law to refer a dispute:
 - (i) regarding the terms and conditions of a Connection Offer; or
 - (ii) about the Connection Charges payable to Endeavour Energy to the AER as an access dispute under the National Electricity Law.
- (b) The Connection Applicant acknowledges that the AER may require the Connection Applicant to attempt to resolve a dispute with Endeavour Energy in accordance with the Endeavour Energy Procedures for Customer Complaints, Appeals and Disputes before the AER will investigate and determine the dispute.

5.0 FEES

- (a) Endeavour Energy may charge the Connection Applicant a reasonable fee to cover expenses directly and reasonably incurred by Endeavour Energy in assessing the Connection Applicant's application and making an offer for a Negotiated Connection Contract.
- (b) Fees will be determined based on:
 - (i) the time spent by Endeavour Energy, charged at Endeavour Energy's hourly rate for the provision of monopoly services set out in Endeavour Energy's Network Price List; and
 - (ii) other direct costs directly and reasonably incurred by Endeavour Energy, in assessing the Connection Applicant's application and making an offer for a Negotiated Connection Contract.
- (c) Direct costs referred to in paragraph (b)(ii) above may include the following:
 - (i) administration fees;
 - (ii) engineering fees; and
 - (iii) other direct costs incurred in respect of the provision of the Connection Offer invoiced to Endeavour Energy.
- (d) Endeavour Energy will provide the Connection Applicant with an estimate of fees in respect of its application as soon as practicable after receipt by Endeavour Energy of the information it requires from the Connection Applicant to provide such an estimate.

6.0 INTERPRETATION

"AEMC" means the Australian Energy Market Commission, which is established under section 5 of the Australian Energy Market Commission Establishment Act 2004 (SA).

"AEMO" means Australian Energy Market Operator Limited (ACN 072 010 327).

"AER" means the Australian Energy Regulator, which is established by section 44AE of the Competition and Consumer Act 2010 (Cth).

"Basic Connection Service" means either a LV Basic Connection Service or a Micro Embedded Generator Basic Connection Service each as defined in the terms and conditions for the Model Standing Offer for that connection service (as applicable), published on Endeavour Energy's website.

"Chapter 5A" means Chapter 5A of the NER, as amended by the *National Electricity (Retail Connection) Amendment Rules 2010*.

"Confidential Information" means information which is or has been provided to a party in connection with the negotiation process and which is stated under the NER, or by AEMO, the AER or the AEMC, to be confidential information or is otherwise confidential or commercially sensitive. It also includes any information which is derived from such information.

"Connection Alteration" means an alteration to an existing connection including an addition, upgrade, extension, expansion, augmentation or any other kind of alteration.

"Connection Applicant" means an applicant for a connection service of one of the following categories:

- (a) retail customer (including a micro embedded generator and an embedded generator that is neither a micro embedded generator nor a Registered Participant);
- (b) retailer or other person acting on behalf of a retail customer;
- (c) real estate developer.

"Connection Charge" means a charge imposed by endeavour Energy for a connection service.

"Connection Offer" means an offer by Endeavour Energy to enter into a connection contract with a retail customer or a real estate developer.

"Connection Policy" means the connection policy setting out the circumstances in which connection charges are payable and the basis for determining the amount of such charges, as published on Endeavour Energy's website and approved by the AER.

"Distribution Use of System Service" means a service provided to a distribution network user for use of the distribution network for the conveyance of electricity that can be reasonably allocated on a locational and/or voltage basis.

"Energy and Water Ombudsman" or "EWON" means the energy ombudsman approved by the Minister under s96B of the ES Act for, among other things, the purposes of the National Energy Retail Law and ES Act.

"ES Act" means the *Electricity Supply Act 1995* (NSW).

"National Energy Retail Law" means the National Energy Retail Law set out in the Schedule to the *National Energy Retail Law (South Australia) Act 2012* (SA).

"Negotiated Connection Contract" means a connection contract negotiated in accordance with Part C of Chapter 5 of the National Electricity Rules.

"Network Price List" means the network price list published on Endeavour Energy's website at www.endeavourenergy.com.au.

"NER" means the *National Electricity Rules*.

"New Connection" means a connection established or to be established, where there is no existing connection.

"Power Transfer Capability" means the maximum permitted instantaneous rate at which active energy can be transferred through the network.

"Registered Participant" has the meaning given to it in the NER.

"Small Customer" has the meaning given to that term in the National Energy Retail Law, being a customer who purchase electricity principally for personal, household or domestic use at premises, or a business customer who consumes less than 160Mwh of electricity per annum at business premises.

"Standard Connection Service" means a Standard Connection Service, as defined in the terms and conditions for the Model Standing Offer for that connection service (as applicable), published on Endeavour Energy's website.

"Supply Service" means a service (other than a connection service) relating to the supply of electricity.