

Notification of the Authority's Decision under regulation 29 of the Electricity Industry (Enforcement) Regulations 2010

Under regulation 29(1) of the Electricity Industry (Enforcement) Regulations 2010 (Regulations) the Electricity Authority (Authority) must publicise every decision made under regulation 23(3) together with the reasons for the Authority's decision.

Investigation

On 30 April 2009, the Electricity Commission appointed an investigator under regulation 69 of the Electricity Governance Regulations 2003 to investigate the self-reported breach of rule 1.2 of part J and alleged breach of rule 2.2 of part J of the Electricity Governance Rules 2003 (Rules) by TrustPower Limited (TrustPower).

The breaches concerned the submission of incorrect reconciliation information relating to network supply point KAW0111 in October 2008 for the month 14 washup of August 2007.

Meridian Energy Limited joined the investigation as an affected party.

On 9 February 2012, the Authority received and considered a report and a recommendation from the investigator to discontinue the investigation.

The Authority's decision

On 9 February 2012, the Authority decided under regulation 23(3)(a) to discontinue the investigation.

Reasons for the Authority's decision

The reasons for the Authority's decision to discontinue the investigation were that:

1. The significant market impact of the self-reported breach of rule 1.2 of part J has been resolved under the terms of a commercial settlement reached in the context of High Court proceedings outside the compliance framework.
2. The alleged breach of rule 2.2 of part J was not relevant in the circumstances because had corrected information been supplied immediately on TrustPower's discovery of the error, under the Rules the Reconciliation Manager could not re-run the reconciliation to correct the effect of the error.
3. The self-reported breach of rule 1.2 of part J was inadvertent and occurred during the transitional period to new reconciliation provisions which came into effect on 1 May 2008. Rules were subsequently introduced to allow for the retrospective correction of errors.