

## **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 August 2009, the Electricity Commission appointed an investigator under regulation 69 of the Electricity Governance Regulations 2003 to investigate self-reported breaches of rule 1.2 of part J of the Electricity Governance Rules 2003 (Rules) by Contact Energy Limited (Contact).

The breaches concerned the submission of incorrect reconciliation information relating to network supply point Reefton (RFN1101) for 10 months over the period between May 2007 and September 2009.

TrustPower 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 breaches has now been largely resolved under the wash-up provisions in the Electricity Governance Rules 2003 (Rules) and a commercial settlement reached in the context of High Court proceedings outside the compliance framework.
2. The breaches were inadvertent and occurred during the transitional period to the new reconciliation rules. Amendments have been subsequently introduced to allow for the correction of such errors via a special wash-up.
3. Contact has taken a number of steps to prevent recurrence.