

Electricity Industry (Exemption No. 213 (Vector Limited)) Exemption Notice 2014

Pursuant to section 11 of the Electricity Industry Act 2010 (“Act”), the Electricity Authority gives the following notice.

Notice

1. Title and commencement—(1) This notice is the Electricity Industry (Exemption No. 213 (Vector Limited)) Exemption Notice 2014.

(2) This notice comes into force on the day after the date it is notified in the *New Zealand Gazette*.

2. Exemption—Vector Limited (“Vector”) is exempted from complying with the requirement in clause 12A.5(2) of the Electricity Industry Participation Code 2010 (“Code”) to ensure that the total value of additional security specified in its use-of-system agreement with Hunet Limited (“Hunet”) is not more than Vector’s reasonable estimate of the line function services charges that Hunet is required to provide to Vector for any two-month period.

3. Term—This exemption expires at the close of **31 October 2015**.

4. Reasons for granting the exemption—The reasons for granting this exemption are:

- (a) the exemption meets the requirements in section 11(2) of the Act for granting exemptions;
- (b) the exemption is only needed on a short-term basis;
- (c) the exemption facilitates a mutually agreed solution between Hunet and Vector to enable Hunet to have payment terms that match its billing cycles while maintaining Vector’s financial position;
- (d) Vector has undertaken to:
 - (i) ensure that the total value of additional security specified in the use-of-system agreement that Hunet must provide is not more than Vector’s reasonable estimate of the line function services charges that Hunet is required to pay to Vector in respect of any three-month period;
 - (ii) provide Hunet with a one-month extension per payment period to pay line function services charges; and
 - (iii) continue to pay Hunet interest for the full amount of security provided by Hunet as specified in clause 12A.5(3) of the Code; and
- (e) the exemption will have little or no impact on other participants and service providers, and will not affect any other Code provisions.

Dated at Wellington this 13th day of October 2014.

For and on behalf of the Electricity Authority:

HON ROGER SOWRY, ONZM, Member, Electricity Authority.

au6425
