

NOTICE OF THE GRANT OF AN EXEMPTION # 24

This Notice of the Grant of an Exemption is issued by the Electricity Commission ("Commission"), continued under subpart 1 of Part 15 of the Electricity Act 1992, pursuant to regulation 194 of the Electricity Governance Regulations 2003 ("Regulations") in favour of Energy Clearing House Limited ("Clearing Manager"), and generators who hold a dispensation issued in accordance with rule 1, Section II of part I of the Electricity Governance Rules 2003 ("Rules") and distributors, as those terms are defined in the Rules, (together referred to as the "relevant participants"). This exemption is being granted under urgency in reliance on Regulation 194(4).

Notice of the Grant of an Exemption ("Notice")

Regulation 194(2) requires that the exemption and the Commission's reasons for granting it are notified in the Gazette as soon as practicable after being granted.

Subject to the terms and conditions imposed upon the Clearing Manager and relevant participants, in respect of any exemption contained within this Notice, the Commission hereby notifies it grants an exemption to the Clearing Manager and relevant participants from the requirement to comply with the following Rules:

- Rule 11.6.3 of section IV of part C.

Terms and Conditions of the Grant of the Exemption

Pursuant to Regulation 194(1), the Commission may, in its discretion and upon the terms and conditions (if any) that it thinks fit, exempt any participant, or class of participants, from compliance with all or any of the Rules. The Commission must include an expiry date pursuant to Regulation 194(5)(b). In respect of the exemption contained within this Notice, the Commission imposes the following terms and conditions:

- 1 The Clearing Manager calculates the residual charge by applying rule 11.6.3 subject to the defined term **reconciled quantity** in the variables BillingPeriodOfftake_{LINExz} and BillingPeriodOfftake_{ALLz} being replaced with the defined term **metering information**.
- 2 Relevant participants pay the residual charge or receive a residual payment as calculated by the Clearing Manager above.
- 3 The exemption expires on 31 March 2005.

The Commission notes that Regulation 196 provides that an exemption may be varied or revoked, either on the application by a participant or on the initiative of the Commission.

Commission's Reasons for Grant of the Exemption Contained in this Notice

The reasons for grant of the exemption are as follows:

- The use of metering information, in the relevant formulas, is the most economically consistent and creates the least distortion in the calculation of residual charges.
- The Commission is unable to identify any participants who would be unduly affected by the grant of the exemption.
- Granting the exemption will allow time for the Commission to investigate a rule change to appropriately address the issue.

Date upon which the Exemption becomes Effective

Pursuant to Regulation 195, the date upon which the exemption contained in this Notice takes effect, being a date which is not earlier than the date of the Gazette notice in respect of the exemption, is 21 October 2004.

Pursuant to Regulation 194(5)(c), the Commission will publicise the exemption on the Commission's website and will have regard to any views that participants make known to it by 5pm 4 November 2004.

For and on behalf of the
ELECTRICITY COMMISSION

Roy Hemmingway
Chair