

Electricity Governance Regulations (Exemption No. 90 (Reconciliation Participants)) Exemption Notice 2008

Pursuant to Regulation 194(2) of the Electricity Governance Regulations 2003, the Electricity Commission ("Commission") gives the following notice.

Notice

1. Title and commencement—(1) This notice is the Electricity Governance Regulations (Exemption No. 90 (Reconciliation Participants)) Exemption Notice 2008.

(2) This notice comes into force on 19 June 2008.

2. Exemption—All reconciliation participants are exempted from Rules 1.2, 2.2, 4.1.2 of Part J of the Electricity Governance Rules ("Rules"), and Rule 2 of Schedule J4 of Part J of the Rules for the submission of revision consumption information for the months of April 2008, May 2008 and June 2008.

3. Conditions—This exemption is granted on the following conditions:

- (a) Only non half-hour information is exempted, and only for the revision months of April 2008, May 2008 and June 2008;
- (b) half-hour revisions must still be submitted in accordance with the Rules; and
- (c) the reconciliation manager must run the reconciliation process for all revisions in accordance with the Rules using the latest half-hour submission information for those consumption periods and the initial non half-hour submission files for the April 2008, May 2008 and June 2008 periods.

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

- (a) the reconciliation rules change the calculation of how non half-hour metered volumes are allocated to retailers between months. However, in the transition of incumbent retailers to independent retailers that occurred on 1 May 2008, there would be a misallocation of volumes that is not equitably treated in the reconciliation process;
- (b) there would be inequitable settlement for participants that were incumbent retailers for consumption periods prior to 1 May 2008 that will affect the adjacent months' consumption periods;
- (c) the purpose of the exemption is to suspend the requirement on reconciliation participants to submit non half-hour submission information to the reconciliation manager until a more equitable rule process can be put in place;
- (d) the reconciliation process will run a revision cycle for all information, but using the initial estimated data for the non half-hour submissions, and this will avoid the misallocation until a more equitable rule process can be put in place;
- (e) as this is an urgent exemption, the Commission will immediately consult with participants on an appropriate solution; and
- (f) there will be little impact on other participants and service providers and the exemption will not affect any other rules.

5. Urgency—(1) This exemption is granted under urgency in reliance on Regulation 194(4).

(2) This exemption expires at the close of 16 September 2008, being the earliest date that will enable the Commission

to respond to the views of participants and put in place an appropriate solution.

(3) Pursuant to Regulation 194(5)(c), the Commission will publicise the exemption on the Commission's website and will give participants an opportunity to make their views known to it by 5.00pm on Friday, 27 June 2008.

Dated at Wellington this 17th day of June 2008.

For and on behalf of the Electricity Commission:

PETER HARRIS, Commissioner.

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