

Electricity Industry (Exemption No. 213 (Vector Limited)) Exemption Amendment Notice 2015

In accordance with section 11(3) 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 Amendment Notice 2015.

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

2. Amendment to principal exemption—Replace clause 3 of the Electricity Industry (Exemption No. 213 (Vector Limited)) Exemption Notice 2014, published in the [New Zealand Gazette, 16 October 2014, No. 127, page 3558](#), (“principal exemption”) with:

“**3. Term**—This exemption expires at the close of **31 October 2016.**”

3. Reasons for this amendment—The reasons for amending the principal exemption are as follows:

- a. the amendment meets the requirements in section 11(3) of the Act for amending exemptions;
- b. the amendment extends an existing mutually agreed solution between Hunet Limited (“Hunet”) and Vector Limited (“Vector”) to enable Hunet to have payment terms that match its billing cycles while maintaining Vector’s financial position;
- c. Vector has undertaken to:
 - i. ensure that the total value of additional security specified in the use-of-system agreement must be such that the total value of all security required to be provided by Hunet is no more than Vector’s reasonable estimate of the line function services charges that Hunet will be required to pay to Vector in respect of any three-month period;
 - ii. provide Hunet with an extension of the time it has to pay Vector’s line services by a one-month period;
 - iii. pay charges for the security provided by Hunet as specified in clause 12A.5(3) of the Electricity Industry Participation Code 2010 (“Code”); and
 - iv. consider options for transition to standard contract terms and Code compliance within the twelve-month period of the exemption. Where mutually agreed between Hunet and Vector, security may be lowered, and time to pay may be reduced commensurate to each other, to allow Hunet to easily transition to normal payment terms; and
- d. the amendment will have little or no impact on other participants and service providers, and will not affect any other Code provisions.

Dated at Wellington this 19th day of October 2015.

For and on behalf of the Electricity Authority:

Hon ROGER SOWRY, onzm, Member, Electricity Authority.