

Notification of the Commission's Decision Pursuant to Regulation 91(1)

Under regulation 91(1) of the Electricity Governance Regulations 2003 ("Regulations") the Electricity Commission ("Commission") must publicise every decision made under regulation 86(2) or regulation 90(2) or regulation 90(3), together with the reasons for the Commission's decision.

Decision to lay formal complaint to the Rulings Panel

On 10 November 2009 the Commission appointed an investigator under regulation 69 of the Regulations to investigate the following alleged breaches of the Electricity Governance Rules 2003 ("Rules") by Meridian Energy Limited (Meridian):

- alleged of Meridian since 1 March 2004 (alleged by Vector Limited (Vector)) - rule 3.1 of part D.
- alleged of Meridian since 1 February 2008 (alleged by the Market Administrator):
 - rules 11 and 12 of part E;
 - rule 3.1 of schedule E1 of part E;
 - rule 3.2 of schedule E2 of part E; and
 - rules 1.2, 2.2, and 4 of part J.

In respect of these alleged breaches, the Commission received and considered a report and recommendation from the investigator prepared under regulation 88.

On 8 June 2010 the Commission decided to:

- **lay a formal complaint** with the Rulings Panel under regulation 90; and
- **direct** the investigator to report to the Rulings Panel under regulation 93.

Reasons for the Commission's Decision

In reaching its decision, the Commission considered the report and recommendation from the investigator. The Commission considered that laying a formal complaint is warranted given that:

- an informal settlement of the alleged breaches could not be achieved;
- non-submission of consumption volumes to the Reconciliation Manager has adversely affected participants; and
- Meridian knowingly did not submit the relevant consumption volumes to the Reconciliation Manager since 1 February 2008, the date it entered into an agreement with the relevant customer.