

9 June 2004

UNDESIRABLE TRADING SITUATION – 24 April 2004

The Electricity Commission released its decision on 12 May 2004 finding that an Undesirable Trading Situation (UTS) did occur at certain nodes in the Tauranga region during trading period 36 on that day. The final report is available at www.electricitycommission.govt.nz

The Commission then sought to consult with participants on the actions it proposed in that decision. A summary of these submissions and a copy of each submission is attached to this notice.

Overall the submitters provided positive responses, with only one submitter disagreeing with the Commission's decision that an undesirable trading situation has developed and the decision to remove the constraint for pricing and settlement of the relevant period.

Accordingly the Commission is satisfied that the actions that it proposed in its decision of 12 May 2004 are appropriate and accordingly directs:

1. That the Pricing Manager calculate and publish final price for trading period 36 on the basis that the Tauranga constraint is removed;
2. Further, that the Clearing Manager processes the invoices in respect of trading period 36 prices as a washup in the June invoices.

The Commission also confirms that it will urgently establish an advisory group to consider the wider issues of the SPD model arising from consideration of the UTS.

For the Electricity Commission Board

A handwritten signature in black ink, appearing to read "Roy Hemmingway".

Roy Hemmingway
Chair