

Memorandum

To: Market Participants
From: Electricity Commission
Date: 30 June 2004

Re: Claimed Undesirable Trading Situation

A market participant has claimed that an Undesirable Trading Situation (UTS) concerning the operation of the reserve and energy markets occurred during a number of trading periods on 29 June 2004.

The market participant claimed that it, and other market participants, are adversely affected by the System Operator's actions. In particular the market participant has concerns with the actions of the system operator, during a grid emergency, in not dispatching any instantaneous reserves.


The Commission has considered information made available to it in respect of the claim and, based on the information currently available, the Commission has:

1. Declined a request to order the delay of publication of final energy prices and final reserve prices for the affected trading periods; and
2. Requested Commission staff to continue to investigate the claim and report back to the Commission.

Another claimed UTS relating to the same events has now been received by the Commission from another market participant. The Commission will consider the merits of these claims concurrently.

Should you require any further information in respect of the above, please contact Tim Street.

For and on behalf of the ELECTRICITY GOVERNANCE BOARD


Mervyn English
General Manager