

Memorandum

To: Market Participants
From: Electricity Commission
Date: 27 April 2004

Re: Claimed Undesirable Trading Situation

On 24 April 2004 a market participant claimed that an Undesirable Trading Situation existed in respect of trading period 36 on that day.

By way of background, the basis of the claim was that dispatch prices in the Tauranga region had reached very high levels in trading period 36 on 24 April 2004, and that had the price for that trading period accurately reflected actual market conditions, the price would have been significantly lower. It is claimed by the market participant that if these prices are made final, they will significantly impact that market participant.

The Board has now considered the information in respect of that claim and, based on the information currently available to the Board, the Board has:

1. Determined that it has insufficient information on which to reach a decision whether an Undesirable Trading Situation exists or may exist.
2. Ordered the delay of publication of final prices and final reserve prices in respect of trading period 36 on 24 April 2004 under Rule 3.28 of Section V Part G of the Electricity Governance Rules 2003, until further notice by the Board.
3. Requested that Commission staff arrange a review of the situation and provide a further report to the Board by 4 May 2004.

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

For and on behalf of the ELECTRICITY GOVERNANCE BOARD

Roy Hemmingway
Chair