MARKET BRIEF

13 December 2010



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Electricity Authority levy

Participants are advised November levy invoices will be delayed as the Electricity Industry (Levy of Industry Participants) Regulations 2010 (Regulations) are still being finalised. At this stage it is anticipated that levy rates for the remaining eight months of the financial year (November 2010 – June 2011) will be published in the week beginning 20 December, once the Regulations are in effect. They will be available at:

http://www.ea.govt.nz/about-us/levy/levy-rates/

November invoices will be issued as soon as practical, but the likely timeframe is that November and December levy invoices will be sent out together in early January, although this may be later than the 7th working day.

A summary of the costs recovered by the levy under the newly implemented electricity governance arrangements is available on the MED website at:

http://www.med.govt.nz/templates/StandardSummary____45506.aspx

Consultation: Customer Compensation Scheme – Mandatory Default Arrangement

The Authority will be releasing a consultation paper, 'Customer Compensation Scheme – Mandatory Default Arrangement'. This outlines a new option for customisation which has been developed following feedback from participants.

As the consultation paper is reasonably short, submissions on it will close at 5 pm Thursday, 13 January 2011.

After considering submissions, the Authority will finalise the Code amendments with a view to approving the Code change in February 2011.

Part 10 metering project

The review of high calibre submissions regarding the proposed new part 10 of the Electricity Industry Participation Code 2010 (Code), which imposes certain obligations on participants in relation to metering standards, is nearing completion.

It is intended a completed proposed part 10 will go to the Board for approval in March 2011.



Consumer Switching: RFP workshop

The Authority held a workshop on 9 December for prospective tenderers for the Consumer Switching Information Campaign. Over 25 parties attended.

The workshop enabled them to ask questions concerning the intention of the fund and information campaign, and also provided the Authority with the opportunity to outline the background and reiterate the RFP requirements and processes.

Notice to All Registered Participants

In accordance with clause 10 of code of practice 10.2 of schedule 10.1 of the Electricity Industry Participation Code 2010, please note that Formway Metering Services Ltd New Zealand is no longer an approved Class B test house. Formway's approval as a test house expired on 5 December 2010 and Formway should not be engaged as a test house unless or until they are re-approved by the Electricity Authority.

Current Consultations

Appropriations and Work Priorities 2011/2012. Section 129 of the Act requires the Authority and EECA to consult
on proposed appropriations for the coming year. The paper is available at:
 http://www.ea.govt.nz/our-work/consultations/corporate/proposed-appropriations-2011-12/
 Submissions should be provided to submissions@ea.govt.nz by 5.00 pm Friday, 7 January 2011.

Electricity Authority contact information

The Electricity Authority is located at Level 7, ASB Bank Tower, 2 Hunter Street, Wellington. The postal address is PO Box 10041 Wellington 6143 and the telephone number is (04) 460 8860. The website address is www.ea.govt.nz.