

Notice of the Confirmation and Grant of a Variation of an Exemption # 3

This notice of the confirmation and grant of a variation of exemption is issued by the Electricity Commission ("Commission"), continued under subpart 1 of Part 15 of the Electricity Act 1992, pursuant to Regulation 194 (5) (d) and Regulation 196 of the Electricity Governance Regulations 2003 ("Regulations") in favour of Norske Skog Tasman Limited ("Norske Skog").

Notice of the Confirmation and Grant of a Variation of Exemption ("notice")

Regulation 194 (2) requires that the variation of exemption and the Commission's reasons for granting it are notified in the *New Zealand Gazette* as soon as practicable after being granted.

Subject to the terms and conditions imposed upon Norske Skog in respect of any exemption contained within this notice, the Commission hereby notifies it confirms and grants a variation of exemption to the original exemption granted to Norske Skog (Exemption # 3, published in the *New Zealand Gazette*, 18 November 2004, page 3732) from the requirement to comply with the following Electricity Governance Rules 2003 ("Rules"):

- Rules 6.1, 6.4 and 6.5 of Schedule C3 of technical code B of Part C.

Terms and Conditions of the Confirmation and Grant of the Variation of Exemption

Regulation 194 (5) (d) requires that the Commission must publish a notice in the *New Zealand Gazette* stating whether or not it decides to revoke, replace or amend an exemption granted under Regulation 194 (4) and explaining the reasons for that decision (or stating where copies of that explanation may be obtained).

Pursuant to Regulation 196, the Commission may vary or revoke an exemption. Regulation 194 applies as if the variation or modification were the granting of an exemption and with all other necessary modifications.

In respect of the confirmation and variation of exemption contained within this notice, the Commission imposes the following terms and conditions:

- The exemption expires on 31 March 2006.
- The exemption only applies to Norske Skog's requirement to provide automatic under-frequency load shedding at the KAW0112 and KAW0113 grid exit points.

The Commission notes that Regulation 196 provides that an exemption may be varied or revoked, either on application by a participant or on the initiative of the Commission.

Commission's Reasons for the Confirmation and Grant of the Variation of Exemption Contained in this Notice

The reason for the confirmation and grant of the exemption is as follows:

- This will allow time for the Commission to consult with the electricity industry on the appropriateness of the exemption test in Rule 6.6 of Schedule C3 of technical code B of Part C of the Rules and to investigate a rule change to address any issues arising from the consultation.

Date Upon Which the Exemption Becomes Effective

Pursuant to Regulation 195, the date upon which the confirmation and variation of exemption contained in this notice takes effect, being a date which is not earlier than the date of the *New Zealand Gazette* notice in respect of the variation of exemption, is 1 July 2005.

For and on behalf of the Electricity Commission: