

Electricity Governance Regulations (Exemption No. 104 (Orion New Zealand Limited)) Exemption Notice 2009

Pursuant to Regulation 194(2) of the Electricity Governance Regulations 2003, the Electricity Commission (“Commission”) gives the following notice.

Notice

1. Title and commencement—(1) This notice is the Electricity Governance Regulations (Exemption No. 104 (Orion New Zealand Limited)) Exemption Notice 2009.

(2) This notice comes into force on the date on which it is notified in the *New Zealand Gazette*.

2. Exemption—Orion New Zealand Limited (“Orion”) is exempted from compliance, on the existing interconnection point between the Orion local network (BRY0661) and the MainPower local network (KAI0111), with the following:

- (a) Rule 3.7 of Part D of the Electricity Governance Rules 2003 (“Rules”);
- (b) Rule 4.3.2 of Part J of the Rules; and
- (c) all other obligations in respect of distributors’ network supply points within the Rules.

3. Terms and conditions—This exemption is granted on the following conditions:

- (a) Orion must notify the Commission in writing, within 20 business days, if the purpose of the existing interconnection point changes, or the frequency or volume of usage significantly increases while the exemption is in force; and
- (b) it will expire on 1 September 2014.

4. Reasons for granting the exemption—The reasons for granting this exemption are:

- (a) Without an exemption, Orion:
 - (i) would incur significant unreasonable expenditure and complexity in fitting metering and communication equipment to its network for low consumption volumes;
 - (ii) would incur unreasonable expenditure in becoming a certified reconciliation participant;
 - (iii) would incur unreasonable expenditure by submitting submission information for each reconciliation period;
 - (iv) may need to reassess the viability of having the interconnection point as a back-up;
- (b) the interconnection point is rarely used;
- (c) although the granting of the exemption will financially impact the retailers on BRY0661 and KAI0111, the continuous supply to the customers on BRY0661 and KAI0111 outweigh this financial impact; and
- (d) there will be little or no impact on other participants (other than the affected retailers) and service providers and the exemption will not affect any other rules, as the transfer between the Orion and MainPower networks will be small.

Dated at Wellington this 22nd day of September 2009.

For and on behalf of the Electricity Commission:

DAVID CAYGILL, Chair.

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