

ELECTRICITY GOVERNANCE REGULATIONS 2003

NOTICE OF THE GRANT OF AN EXEMPTION # 3

This Notice of the Grant of an Exemption is issued by the Electricity Commission ("Commission"), continued under subpart 1 of Part 15 of the Electricity Act 1992, pursuant to Regulation 194 of the Electricity Governance Regulations 2003 ("Regulations") in favour of Norske Skog Tasman Limited ("Norske Skog"). This exemption is being granted under urgency in reliance on Regulation 194(4).

Notice of the Grant of an Exemption ("Notice")

Regulation 194(2) requires that the exemption and the Commission's reasons for granting it are notified in the 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 grants an exemption to Norske Skog 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 Grant of the Exemption

Pursuant to Regulation 194(1), the Commission may, in its discretion and upon the terms and conditions (if any) that it thinks fit, exempt any participant, or class of participants, from compliance with all or any of the Rules. The Commission must include an expiry date pursuant to Regulation 194(5)(b). In respect of the exemption contained within this Notice, the Commission imposes the following terms and conditions:

- The exemption expires on 30 June 2005.
- 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 Grant of the Exemption contained in this Notice

The reasons for the grant of the exemption are as follows:

- Granting the exemption 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 exemption contained in this Notice takes effect, being a date which is not earlier than the date of the Gazette notice in respect of the exemption, is 18 November 2004.

Pursuant to Regulation 194(5)(c), the Commission will publicise the exemption on the Commission's website and will have regard to any views that participants make known to it by 5pm, 2 December 2004.

For and on behalf of the
ELECTRICITY COMMISSION

Roy Hemmingway
Chair