



16 June 2008

Maree McGregor
Electricity Commission
PO Box 10041
Wellington

Dear Maree

Amended disclosure of risk management information proposal

Meridian Energy ("Meridian") appreciates the opportunity to make submissions on the Electricity Commission's ("Commission's") amended disclosure of risk management information proposal.

In Meridian's view the rules have advanced significantly since the initial consultation.

Meridian understands that the Commission intends to conduct user acceptance testing prior to the implementation of this proposal. Meridian supports this and considers it important that there is some provision for testing and user education prior to this rules implementation.

Meridian queries whether the 1 MW threshold refers to annual consumption or whether it is cumulative? Meridian notes that if it is cumulative across contracts, it might cover more contracts than the Commission intends.

Meridian also has some additional drafting comments it wishes to make, attached in Appendix One to this submission.

Please call me or Andrew Pallesen on 3811 362 if you wish to discuss this submission further.

Yours sincerely,

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Regulatory Policy Manager

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Attachment: Appendix One: Meridian's drafting comments

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Rule	Issue	Proposed Solution
Rule 3.3.3	As EnergyHedge is referred to in several places throughout the Part K Rules, it would be preferable to define “EnergyHedge” in Part A, rather than having the explanation/definition here.	Delete the second sentence of rule 3.3.3 and define “EnergyHedge” in Part A (the second sentence of rule 3.33 could be used as the basis for the definition).
Rules 3.7.2 and 4	Rule 3.7.2 refers to the price “which first applies under the contract”. Rule 4 refers to “the starting price”. Meridian understands that both references here are intended to refer to the same thing (ie, to the opening price under a contract with an adjustment clause). The rules should be consistent in which term they use.	Use a consistent term which is defined in Part A (eg, by defining the term “starting price”).
Rule 5.1.4	“Nominated zone node” should be a defined term, instead of being explained in rule 5.1.4.	Define “nominated zone node”.
Rule 8	Meridian understands that the Commission has made a decision that non-participants will not be bound by the Part K rules. However, as drafted, rule 8 imposes obligations on the “party” that discovers that information submitted by it was incorrect. This has the effect of imposing obligations on non-participants, albeit only on non-participants that have voluntarily submitted information to the information system (eg, via the verification process).	The potential for rule 8 to apply to non-participants could be removed by replacing “party” with “participant”.
Rule 11.5	It is not clear when rule 11.5 will be triggered. The requirement is that the information is “disputed”. If this is the same as the trigger under rule 11.3 (that the other party has submitted a verification notice advising that the information is not correct) the rules would be clearer if 11.3 and 11.5 were merged into one rule.	Merge 11.3 and 11.5 so that a single rule provides that when the other party has submitted a verification notice advising that the information is not correct, the information system will: Indicate that the information is disputed; and Send a notice requiring the parties to make endeavours to agree (as per rule 11.5.2).

Rule 14.1	It is not clear why rule 14.1 only applies to sellers that submit information when in some cases rule 2 requires <i>buyers</i> to submit information under rule 9.	Replace “seller’ with “participant”.
Definition of “contract price”	Where the definition refers to the contract price being calculated, it would be preferable to cross-refer to the particular calculation required under rule 4 (so that it is clear that not any calculation will suffice).	Add “in accordance with Rule 4 of Section I Part K” after the word “calculated”.