

## Application for an exemption from the Electricity Industry Participation Code 2010

Please complete and return to [compliance@ea.govt.nz](mailto:compliance@ea.govt.nz)

Date: 15 April 2024

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### 1. Who is the exemption for?

*Give the full legal company (or otherwise) name and address of the participant seeking the exemption and the relevant details of the contact person for the exemption. The application must be made by the participant that the exemption will apply to, though other parties (participants or otherwise) may be involved in the process.*

Vector Limited (**Vector**) is the industry participant seeking an exemption under section 11 of the Electricity Industry Act (**Act**) from:

- the requirements of clauses 6A.3 to 6A.8 in Part 6A of the Code; or
- in the alternative, the reporting and information disclosure obligations in clauses 6A.4(4) to (4B), 6A.7 and 6A.8 in Part 6A of the Code.

This application for exemption is made in anticipation of the entry into force of the amendments to Part 6A that the Authority is currently consulting on.<sup>1</sup> For the reasons described below, and as acknowledged in the Authority's decision paper, the reporting and disclosure obligations in Part 6A that apply to directors personally are not permitted by section 32 of the Electricity Industry Act 2010. However, for completeness, this exemption is also sought on behalf of Vector's directors to the extent the Authority considers the Part 6A obligations do apply.

Vector is an electricity distributor, listed on the NZX (NZX: VCT).

Vector's contact person for this application is:

[REDACTED]

Please also include in correspondence:

[REDACTED]

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<sup>1</sup> The Electricity Authority's [recent omnibus consultation of December 2023](#), which included proposed amendments to clarify the application of Part 6A obligations, proposes to remove the obligations currently placed on individual managers directors, and shift primary obligations onto industry participants and/ or specified persons, as applicable. This is discussed further below.

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## **2. When is the exemption required?**

*Specify the date when a decision is needed and when any exemption granted would need to be gazetted (active). For all non-urgent applications, please [refer to the Authority's instructions](#). If the application is urgent, please include the reasons for seeking urgent consideration.*

An exemption is sought as soon as possible, but at the latest to coincide with the entry into force of the Authority's proposed amendments to Part 6A.

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## **3. What do you want an exemption from?**

*Give the provisions of the Code from which the exemption is sought.*

Vector and its directors seek exemption from the following provisions of Part 6A of the Code:

- the requirements of clauses 6A.3 to 6A.8 in Part 6A of the Code; or
- in the alternative, the reporting and information disclosure obligations in clauses 6A.4(4) to (4B), 6A.7 and 6A.8 in Part 6A of the Code;

in either case on condition that Vector's involvement in Manawa or any other connected generator or connected retailer is only by virtue of Ms Anne Urlwin's appointments to the boards of Vector and Infratil.

Vector's primary application is for exemption from all of clauses 6A.3 to 6A.8 on the grounds that:

- Vector is treated as being "involved in" Manawa only by virtue of Ms Urlwin's appointments to the boards of Vector and Infratil. Ms Urlwin's connection to Manawa is indirect at most, given her role is on the board of a shareholder rather than Manawa directly. Accordingly, Vector's involvement in Manawa is technical only and there is no real prospect of Vector discriminating in favour of Manawa by virtue of Ms Urlwin's dual roles;
- the Authority has granted Ms Urlwin a dispensation from compliance with Part 6A. Accordingly, were Vector to remain subject to the Part 6A requirements, it would be subject to a greater regulatory burden than the individual who is actually involved in both Vector and a connected retailer;
- given there is no real prospect of Vector favouring Manawa, it is disproportionate to require Vector to comply with Part 6A in respect of Manawa; and
- in any event, there are a number of other features of the Code, and of Vector's practices and policies, that would prevent Vector making any decision that unreasonably favoured Manawa over other retailers. Importantly, the conditions of Ms Urlwin's dispensation prevent her from attending for, or participating in, any discussions at the Vector board regarding matters that could affect or favour

Manawa. No other director has any involvement with Manawa and therefore, in Ms Urlwin's absence, there is no risk of the remaining Vector directors favouring Manawa.

In the alternative, an exemption is sought from the reporting and information disclosure obligations on the grounds described above and also because:

- the reporting and disclosure obligations are a significant and disproportionate burden on Vector and Vector's directors; and
- in practice, Vector's compliance with Part 6A can be readily ascertained without the need to undertake the reporting and information disclosure contemplated in Part 6A.

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#### **4. Why are you seeking this exemption?**

*Please specify the problem that the exemption would resolve, reasons for the problem arising, and how the exemption would address this problem.*

##### ***Background to Vector's application***

On 1 January 2023, one of Vector's directors, Ms Anne Urwin, was appointed to the board of Infratil. Infratil has a ~51.1% share in Manawa Energy Limited (**Manawa**), through its subsidiaries Renew Nominees Limited, Infratil Energy New Zealand Limited, and Infratil Investments Limited. Manawa is a generator, and also retails electricity to commercial and industrial customers.

Manawa has no generation connected to Vector's network. However, it retails electricity to customers connected to Vector's network ( [REDACTED] ) and the volume of electricity retailed to Vector ICPs exceeds the thresholds that apply under the Code's definition of "connected retailer".

For the reasons set out in the dispensation application submitted by Infratil on behalf of Ms Urlwin in December 2023, Vector considers that Ms Urlwin is not "involved in" Manawa in the sense intended by section 6A of the Act simply by virtue of her appointment to the board of Infratil.<sup>2</sup> As described in that application, Ms Urlwin has no direct relationship with, or day to day operational involvement in, Manawa and is several steps removed. Because Ms Urlwin is not involved in Manawa, Vector's view is that Manawa cannot be considered a connected retailer of Vector.

However, the Authority has concluded – having examined Infratil's dispensation application – that Ms Urlwin is involved in Manawa, but that it is appropriate to grant a dispensation to Ms Urlwin from compliance with the Part 6A requirements.

A consequence of the Authority's conclusion that Ms Urlwin is involved in both Vector and Manawa is that Manawa constitutes a "connected retailer" in respect of Vector. This is because the definition of "connected retailer" extends to a retailer "in respect of which the distributor, or any other person involved in the distributor, is involved" (emphasis added).<sup>3</sup>

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<sup>2</sup> [Application for dispensation under Part 6A of the Electricity Industry Participation Code – Anne Urlwin](#) dated 19 December 2023. Please note a number of the same reasons favouring Ms Urlwin's dispensation are referred to in this application, given those reasons also favour Vector's exemption from compliance with Part 6A.

<sup>3</sup> See, for example, clause 6A.3(3).

Vector is not itself involved in Manawa, but Ms Urlwin is a person who is “involved in the distributor [Vector]” and also, per the Authority’s conclusion, involved in Manawa.

Vector consequently makes this application so that it may similarly be exempted from the requirements of Part 6A or, at least, from the reporting and information disclosure obligations in Part 6A.

### ***Amendments to Part 6A***

The Electricity Authority’s recent amendments to Part 6A of the Code clarify that the point of obligation for compliance with the Part 6A obligations lies with the distributor rather than with its directors.<sup>4</sup> The amendments enter into force from 1 June 2024.

Part 6A, as currently drafted, was transferred from the Electricity Industry Act into the Code without consideration as to whether the legislative drafting was consistent with section 32 of the Electricity Industry Act 2010. Section 32 provides that the Code may not impose obligations on any person other than:

- an industry participant or a person acting on behalf of an industry participant, or the Authority; or
- a specified person, which is a person involved in both classes of industry participant that are the subject of any provisions made in accordance with subsection (3) of section 32.

Ms Urlwin is a specified person by virtue of her involvement in both Vector and Manawa. The remaining directors of Vector are neither specified persons, nor are they persons acting on behalf of an industry participant, nor are they themselves industry participants. To the extent that Part 6A purports to create obligations for directors personally (for example in clauses 6A.4, 6A.6, 6A.7 and 6A.8), it is therefore ultra vires. Conversely, Part 6A does not impose those obligations on distributors. The Authority’s amendments remedy that position, with the result that Vector will be subject to those requirements of Part 6A from June 2024. This exemption application is made in anticipation of those requirements applying to Vector. For completeness, this exemption is also sought on behalf of Vector’s directors to the extent the Authority considers the Part 6A obligations do continue to apply to directors.

### ***Why are we seeking this exemption?***

Requiring compliance with Part 6A in the present circumstances imposes an unnecessary regulatory and administrative burden which, in Vector’s view, does not promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers.

Vector and Manawa continue to operate as separate, independent entities and the connection between the two as a result of Ms Urlwin’s appointment as a director of Infratil is very remote. There is no real prospect of Vector favoring Manawa in its decisions and, in any event, existing controls would prevent this outcome. Vector is not incentivised, or able, to discriminate in favour of Manawa in these circumstances.

Because of the existing structural arrangements and other controls in place, any concern which the Part 6A regime would otherwise solve for, is already addressed. As such, the

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<sup>4</sup> Electricity Authority, [Code amendment omnibus consultation](#), 15 December 2023.

imposition of the Part 6A requirements creates an unnecessary regulatory and administrative burden, as outlined below.

For completeness, Vector does already satisfy the substantive requirements of Part 6A in respect of Manawa:

- Clause 6A.3: Vector and Manawa are separate companies and thus comply with the corporate separation requirement. Vector and Manawa also operate on a fully arm's length basis, and comply with the requirements in the arm's-length rules relating to independent directors and the prohibition on cross-directors that are executive directors. There are no individuals who are managers of both Vector and Manawa.
- Clause 6A.4: Vector trades with Manawa under its default distributor agreement, and therefore Vector's terms with Manawa are both: (i) the same as the terms on which Vector trades with other retailers, and (ii) reflect the requirements of the Code's default distributor agreement template.
- Clause 6A.5: Vector has not made any payments, or offers of payment, for the transfer of customers to Manawa (and would have no reason to).
- Clause 6A.6: Vector pays an annual dividend to Entrust beneficiaries. That dividend does not discriminate between beneficiaries that are Manawa customers and customers of other retailers.

***Vector's connection to Manawa is not of a character that engages the purpose of Part 6A***

The purpose of the Part 6A rules is to prevent distributors, who have regional market power in relation to the supply of electricity lines services, from leveraging that market power into adjacent competitive markets, particularly generation and retail of electricity.<sup>5</sup> Absent constraints on their participation in generation and retail, the concern is that distributors would be incentivized to, for example, offer favourable deals to affiliated generation or retail businesses, limiting competition and harming consumers.

That concern assumes that distributors' involvement in generation or retail incentivizes discrimination in favour of those affiliated businesses. That is plausibly the case where, for example:

- a distributor has a direct financial interest in a generator or retailer; or
- dual-appointed directors owe duties to act in the interests of both the distributor and the generator/retailer.

But, conversely, the more attenuated the distributor's connection to the generator or retailer, the lower the risk of discrimination in favour of the generator/retailer.

The Electricity Industry Act defines the concept of involvement very broadly. Ms Urlwin is treated as involved in Manawa only because, as a director of Infratil she exercises certain powers in respect of Infratil under clause 7 of Schedule 2 of the Act and Infratil in turn is deemed to have material influence over Manawa.

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<sup>5</sup> Electricity Amendment Bill 2021 (63-3) (select committee report) at page 3.

However, in practice Ms Urlwin's interest in, and influence over, Manawa is highly attenuated. As explained more fully in Infratil's dispensation application, Infratil owns its stake in Manawa via three subsidiaries. She is therefore two steps removed from Manawa. Ms Urlwin serves as a director of Infratil but not of Manawa. In her capacity as an Infratil director, she owes a duty to act in the best interests of Infratil, rather than Manawa. Manawa is one of a number of Infratil investments. Furthermore, Infratil's investments are managed by Morrison (formerly Morrison & Co) pursuant to a management agreement established when Infratil was first incorporated. Day-to-day control and influence over Manawa therefore resides with the board of Manawa and, to a certain extent, with Morrison. The primary role of Infratil's board is to approve investments and divestments. In practice, therefore, the nature of Ms Urlwin's interest in, and influence over, Manawa is not of a character that plausibly engages the purpose of Part 6A.

It is appropriate that the Act define the concept of involvement broadly, as it is possible to conceive of circumstances in which a distributor, or a director of a distributor, exercise control over a generator/retailer via a chain of control comprising several intermediaries. However, the Act equally allows for exemptions in appropriate circumstances. In Vector's submission it would be appropriate to grant an exemption in this case given Vector is subject to Part 6A for technical rather than substantive reasons.

***Unreasonable for Vector and its remaining directors to be subject to a more substantial regulatory burden than Ms Urlwin***

The Authority has granted a dispensation to Ms Urlwin, subject to conditions.

The consequence is that Ms Urlwin is, quite reasonably in Vector's view, relieved from the requirements to:<sup>6</sup>

- ensure that Vector and Manawa comply with the arm's-length rules and provide a disclosure to that effect (cl 6A.3(2) and 6A.8);
- ensure that Vector complies with the requirements regarding distribution agreements and provide a disclosure to that effect (cl 6A.4);
- comply with the requirements regarding rebates, dividends and payments for the transfer of customers (cl 6A.5, 6A.6); and
- make annual disclosures regarding the volume of electricity retailed by Manawa to customer on Vector's network (cl 6A.7).

The dispensation is subject to conditions that Ms Urlwin must not participate in any Vector or Infratil board discussions on certain matters relating to Manawa, or disclose any relevant Vector information to Infratil or vice versa. (Those conditions, while sensible, are consistent with Ms Urlwin discharging her ordinary director duties, and complying with Vector's and Infratil's conflict of interest policies.)

If Vector (and to the extent relevant its directors) are not exempted from compliance with Part 6A, the consequence is that Vector and its directors will be subject to a more onerous regulatory burden than Ms Urlwin, despite the fact that the only reason compliance with Part 6A is in issue is because of Ms Urlwin's roles on both the Vector and Infratil boards.

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<sup>6</sup> Depending on the timing and ultimate form of the Code amendments the Authority is currently consulting on.

Put another way, to the extent the purpose of Part 6A is engaged at all, it is because the broad definition of “involved in” assumes that Ms Urlwin will be incentivized to use her role on the Vector board to advance the interests of Manawa at the expense of other retailers. For the reasons described above, there is no realistic prospect of that happening. But because the Authority has granted an exemption to Ms Urlwin it follows – equally if not more so – that Vector and its remaining directors should be exempted given they have no interest in, influence over, or duties towards Infratil or Manawa.

***Disproportionate regulatory burden to require Vector to comply with Part 6A in respect of Manawa***

Requiring Vector (and, to the extent relevant, its directors) to comply with Part 6A imposes a disproportionate regulatory burden. While, as described above, Vector already complies with the obligations of Part 6A as a matter of course, being subject to Part 6A, and particularly with the disclosure and reporting obligations, requires that Vector:

- establish a compliance process to affirmatively demonstrate its compliance annually with the Part 6A requirements in circumstances where its only connection to Manawa is (indirectly) via Ms Urlwin). This would include, for example, determining whether decisions made in the ordinary course that affect Manawa or other retailers comply with the requirements of Part 6A;
- potentially make inquiries of Manawa to obtain information necessary for Vector to satisfy itself of compliance, and/or meet its disclosure obligations. For example, Vector cannot ascertain compliance with clause 6A.5 without obtaining commercially sensitive and confidential information that Manawa is neither obliged, nor would be likely, to provide to Vector; and
- make annual declarations of compliance, which in turn involves legal advice, significant management effort and resource, and distraction to directors. In general, requiring directors to make or sign declarations on behalf of Vector is a significantly burdensome process, involving at least the following steps:
  - undertaking inquiries regarding compliance to an appropriate standard of diligence;
  - obtaining internal or external legal advice as necessary;
  - preparing management rep letters and board papers;
  - setting aside time within board sub-committees and/or the full board to review the materials and provide directors with an opportunity to ask questions of management.

In circumstances where there is no realistic prospect of Vector discriminating in favour of Manawa, it is disproportionate to require Vector to comply with Part 6A and annually certify its compliance.

***Other features of the Code, and Vector’s practices and policies, prevent discrimination in favour of Manawa***

Vector is already subject to a number of existing controls which ensure it complies with the requirements of Part 6A and operates on an arms-length basis from Manawa.

These include:

- Corporate governance requirements: Vector, Manawa, and Infratil are listed companies, subject to corporate governance requirements including the NZX listing

rules and corporate governance code. Ms Urlwin is one of seven directors serving on the Vector board and, consequently, would not have the ability to influence Vector board decisions in favour of Manawa. No other director is involved in Manawa, nor does Vector itself have any financial interest or other interest in Manawa. When exercising powers or performing duties in respect of Vector, Ms Urlwin also has obligations under the Companies Act 1993 to make decisions in the best interests of Vector.

The process for appointing new directors also involves assessing candidates for potential conflicts of interest, including roles for other market participants. For example, in the past Vector has ensured that prospective directors resign as directors of other market participants prior to taking up a role on the Vector board.

- Internal controls: Vector's Code of Conduct & Ethics and Board Charter also require directors to avoid or manage conflicts of interest, which would include any matter that favoured Manawa.<sup>7</sup> Vector's board and management actively manages the potential for conflicts of interest.
- Regulatory and contractual controls: Part 12A of the Code requires that Vector publish, and trade with retailers on the basis of, a standardized default distributor agreement (**DDA**) unless otherwise agreed with the retailer. The DDA ensures that all retailers receive non-discriminatory terms. Vector trades with Manawa on the basis of its standard DDA, with the exception of Appendix C – provision of consumption information, which is an alternative agreement under clause 9 of Schedule 12A.1 ("additional services"). Vector has alternative agreements in relation to Appendix C with a number of retailers as consumption data is an issue that has been the subject of extensive bilateral negotiations.

Vector has disclosure obligations under the Commerce Commission's Electricity Distribution Information Disclosure Determination 2012 and publishes information regarding its prescribed terms and conditions of contract on its website.

Further, Vector's pricing methodology (published annually under the Electricity Distribution Information Disclosure Determination 2012) is agnostic as to the identity of the retailer (i.e., does not provide for Vector to discriminate in Manawa's favour, or against Manawa's competitors), and Vector is also required to make disclosures in respect of non-standard contracts. As described in Infratil's dispensation application, there is therefore no benefit in imposing additional requirements and disclosure obligations in respect of the distributor agreement under clause 6A.4 in these circumstances.

- Conditions of Ms Urlwin's dispensation: The Authority has granted Ms Urlwin a dispensation on conditions intended to ensure that any actual or perceived conflicts of interest are managed. Consistent with the conditions of her dispensation, Ms Urlwin will not attend or participate in any discussions regarding matters that relate to or could affect or favour the supply of electricity by Manawa on Vector's network. Given that no other director, nor Vector itself, has any involvement in Manawa that would incentivize the board to make decisions that favour Manawa, the conditions of Ms Urlwin's dispensation effectively deal with the mischief that Part 6A is intended to prevent.

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<sup>7</sup> Vector, [Code of Conduct and Ethics \(2021\)](#) and [Board Charter \(2022\)](#).

These controls prevent Vector from favoring Manawa, or any other retailer. In these circumstances, it is difficult to see how Vector would ever be incentivised, or able, to discriminate in favour of Manawa.

The exemption and dispensation regimes inherently recognise that there will be circumstances in which there may be over capture in the application of Part 6A requirements, such that compliance is not necessary to promote competition in the electricity industry, and relief may better promote the efficient operation of the industry.<sup>8</sup>

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## **5 What alternatives to the exemption have been explored?**

*Please list the alternative solutions that have been explored and give details of why they are not suitable to address the problem.*

Vector has explored alternatives to the present exemption and concluded this pathway to be most appropriate. As described above, since Ms Urlwin's appointment to the Infratil board, Vector has fully complied with the Part 6A requirements, and taken steps to engage the Authority in connection with aspects of the regime where it considered there to be uncertainty.

Requiring ongoing compliance with the Part 6A requirements, in particular the periodic reporting and information disclosures required of Vector (and, to the extent relevant, directors), imposes an impractical and disproportionate administrative burden and increased compliance costs.

Vector considered submitting on the Authority's recent Omnibus consultation to encourage the Authority to consider further refining the regime to avoid over-capture in circumstances such as the present. It concluded that a dispensation application (in respect of Ms Urlwin, as specified person) and exemption application (in respect of Vector, as industry participant) was the most appropriate way to obtain certainty with respect to the Authority's position on whether Ms Urlwin is "involved in" Manawa and, if so, seek relief from unnecessary requirements.

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## **6. What effects will granting the exemption have on achieving the Authority's statutory objectives?**

*The Electricity Industry Act 2010 (Act) only permits the Authority to grant an exemption if it is satisfied that (a) it is not necessary, for the purpose of achieving the Authority's objectives under section 15, for the participant to comply with the Code or the specific provisions of the Code or (b) exempting the participant from the requirement to comply with the Code or the specific provisions of the Code would better achieve the Authority's objectives than requiring compliance.*

Requiring compliance with Part 6A of the Code in the present circumstances is not necessary to achieve the Authority's section 15 objectives, given: (i) the remoteness of Ms Urlwin's connection to Manawa's business, and (ii) that no other director has any involvement in Manawa. In any event, as described above, there are already existing controls in place which ensure the two companies continue to operate on an arms-length basis and that Vector does not discriminate in favour of Manawa.

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<sup>8</sup> See Electricity Authority, [Code Review Programme number 5, Consultation paper](#): "The arm's-length rules impose obligations designed to promote competition in the electricity industry. In some cases, however, the Authority may consider that compliance with the arm's-length rules is not necessary to promote competition in the electricity industry, or that a dispensation may better promote the efficient operation of the electricity industry, for the long-term benefit of consumers"

The proposed exemption would instead better achieve the Authority's objectives than requiring compliance, by removing the regulatory and administrative burden currently placed on Vector and its directors, and the costs of the Authority monitoring compliance, in circumstances in which there is no benefit in requiring compliance because of the remoteness of Ms Urlwin's involvement.

As noted above, the availability of the exemption and dispensation mechanisms for Part 6A inherently recognise that there will be instances of over capture (i.e., when compliance is not necessary to promote competition in the electricity industry), such that providing relief better promotes the efficient operation of the industry, which in Vector's views is the case here.

*To enable the Authority to be satisfied that compliance with the Code is not necessary to achieve the Authority's objectives under section 15, or that an exemption would better achieve the Authority's objectives than requiring compliance, please address the following questions:*

- a) *Please explain, with reasons, what impact (positive or negative) granting the exemption would have on the Authority's ability to promote competition in the electricity industry for the long-term benefit of consumers?*

As described in Infratil's dispensation application, and consistent with the Authority's previous exemption decisions under section 90 of the Act, the relevant markets for the purposes of this application are the national electricity generation and wholesaling market, the electricity retailing markets, and the local electricity distribution market that corresponds with Vector's electricity distribution network. Vector adopts Infratil's analysis of the competition impacts of an exemption as described in its dispensation application.

- b) *Please explain, with reasons, what impact (positive or negative) granting the exemption would have on the Authority's ability to promote reliability of supply for the long-term benefit of consumers?*

The proposed exemption has no negative or positive impacts on the reliable supply for the long-term benefit of consumers, by easing an unnecessary regulatory and administrative burden and allowing resources to be used more efficiently.

- c) *Please explain, with reasons, what impact (positive or negative) granting the exemption would have on the Authority's ability to promote efficiency for the long-term benefit of consumers?*

The proposed exemption promotes efficiency, for the long-term benefit of consumers, by reducing unnecessary compliance costs and avoiding the duplication with existing information disclosures and controls.

Affirmatively establishing compliance on an annual basis, and preparing and making declarations, is a material burden on management and the board of Vector. Compliance is a process that engages the most senior levels of the business, and therefore time spent on unnecessary compliance processes deprives Vector of the opportunity to deploy its senior management and governance resources elsewhere. The efficiency benefits associated with right-sizing the compliance burden include:

- reducing costs that are otherwise borne by consumers through regulated prices; and
- avoiding forgone efficiency gains that would otherwise be achieved through the freeing-up of senior management and board resources and availability.

- d) *If applicable to your application, please explain, with reasons, what impact (positive or negative) granting the exemption would have on the Authority's ability to protect the interests of domestic consumers and small business consumers in relation to the supply of electricity to those consumers?*

The proposed exemption would have no negative effect on the Authority's ability to achieve this objective.

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**7. In your opinion, should the exemption be granted with terms or conditions? In your opinion, what terms or conditions would reasonably be considered necessary?**

Given that this issue only arises because of Ms Urlwin's dual appointment to the Vector and Infratil boards, and the exemption is warranted because of the specific circumstances of Ms Urlwin's role with Infratil, we propose that Vector's exemption is subject to the same conditions as in paragraphs 3(1)(e) and (f) of the Authority's dispensation decision for Ms Urlwin.

The intended effect of these proposed conditions is that the exemption would not apply to connected generators or retailers other than Manawa, or to cross-involvements between Vector and Manawa arising for any reason other than the specific circumstances currently before the Authority.

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**8. Are there any previous similar exemptions?**

*Identify any previous exemptions you have been granted, or that you are aware have been granted to other participants, that are similar to the exemption you seek, and which may provide a guide to how your application could be considered. State how the other exemptions are similar to, and different from, the exemption you are seeking.*

The Authority has previously considered a number of exemption and, more recently, dispensation requests with respect to the Part 6A regime. A number of applications were made under section 90 of the Act which applied when the arms-length rules were contained in Part 3 of the Act. To Vector's knowledge, most applications have been made on behalf of individual directors (as is the case with the present dispensation application) rather than for the industry participant. However, the present scenario is distinguishable from the majority of previously decided cases, as Ms Urlwin is not a director of Manawa, but is rather several steps removed.

The most immediately analogous exemption is the dispensation granted in respect of Ms Urlwin herself.

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**9. What impact will granting the exemption have on the overall scheme of the Code?**

*Explain what impact, in your opinion, the granting of the exemption will have on your, and other participants', ability to comply with other provisions of the Code.*

The proposed exemption is not expected to have any impact on the overall scheme of the Code.

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**10. What effects will there be on other participants?**

*Describe who may be affected by the granting of the exemption and how they might be affected, including market operation service providers, and any costs and benefits to them (for example, whether there will be any financial or commercial effect on other participants or, if this exemption was granted to another participant, the effect it would have on you).*

The proposed exemption is not expected to have any impact on participants other than those mentioned in this application.

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**11. How long do you need the exemption for?**

*Bearing in mind that an exemption is intended to be an interim measure until a permanent solution is implemented, specify how long you are seeking the exemption for. Additionally, please include details if there is a specific event (such as a substation upgrade, or the customer switches to another trader etc) that may mean that the exemption could end sooner. Give reasons for the period that you specify.*

The exemption is required for the duration of Ms Urlwin's appointment as director of both Vector and Infratil.