

# Consultation Paper

**Draft decision of the Electricity Authority under  
Part 5 of the Electricity Industry Participation  
Code regarding an alleged UTS on 26 March  
2011**

**Prepared by the Electricity Authority**

6 May 2011



## Contents

<b>1.</b>	<b>Introduction and purpose of this paper</b>	<b>1</b>
1.1	Introduction	1
1.2	Purpose of this paper	1
1.3	Submissions	1
<b>2.</b>	<b>Draft decision</b>	<b>3</b>
<b>3.</b>	<b>Summary of questions</b>	<b>5</b>
<b>Appendix A</b>	<b>Draft decision of the Electricity Authority under Part 5 of the Electricity Industry Participation Code regarding an alleged Undesirable Trading Situation on 26 March 2011</b>	<b>7</b>
<b>Appendix B</b>	<b>Format for submissions</b>	<b>8</b>



# 1. Introduction and purpose of this paper

## 1.1 Introduction

1.1.1 Under Part 5 of the Electricity Industry Participation Code 2010 (the Code), the Electricity Authority (Authority) is responsible for investigating any suspected or anticipated undesirable trading situations (UTS). If the Authority finds that a UTS is developing or has developed, it may take steps in regard to that UTS.

1.1.2 The Authority has reached a preliminary view that the situation existing on 26 March 2011 constitutes a UTS. The reasons for this preliminary view are set out in the draft decision document at appendix A.

1.1.3 The draft decision document also sets out the draft remedial actions that the Authority intends to take to correct the UTS.

## 1.2 Purpose of this paper

1.2.1 Clause 5.4 of the Code provides:

### **Authority must consult with participants**

If the Authority finds that an undesirable trading situation is developing or has developed, the Authority must—

(a) immediately advise all registered participants of its findings and of any actions that the Authority intends to take, or has taken, to correct the undesirable trading situation; and

(b) unless the Authority considers that it is impractical to do so, consult with affected participants before taking the action.

1.2.2 The purpose of this paper is to consult with participants and interested parties regarding the Authority's draft decision and the draft remedial actions that the Authority intends to take to correct the UTS.

## 1.3 Submissions

The Authority's preference is to receive submissions in electronic format (Microsoft Word). It is not necessary to send hard copies of submissions to the Authority, unless it is not possible to do so electronically. Submissions in electronic form should be emailed to [submissions@ea.govt.nz](mailto:submissions@ea.govt.nz) with Consultation Paper—Draft decision regarding alleged UTS on 26 March 2011 in the subject line.

If submitters do not wish to send their submission electronically, they should post one hard copy of their submission to the address below.

Submissions  
Electricity Authority  
PO Box 10041  
Wellington 6143

Submissions  
Electricity Authority  
Level 7, ASB Bank Tower  
2 Hunter Street  
Wellington

Tel: 0-4-460 8860

Fax: 0-4-460 8879

- 1.3.1 Submissions must be received by 3.00pm on Friday, 13 May 2011.
- 1.3.2 The Authority will publish the submissions on the Authority's website as soon as possible after 3.00pm on Friday, 13 May 2011.
- 1.3.3 The Authority will allow for cross-submissions. Cross-submissions must be received by 3.00pm on Thursday, 19 May 2011.
- 1.3.4 Please note that late submissions and cross-submissions are unlikely to be considered.
- 1.3.5 The Authority will acknowledge receipt of all submissions electronically. Please contact the Submissions' Administrator if you do not receive electronic acknowledgement of your submission within two business days.
- 1.3.6 If possible, submissions should be provided in the format shown in Appendix B. Your submission will be made available to the general public on the Authority's website. Submitters should indicate any documents attached, in support of the submission, in a covering letter. All information provided to the Authority is subject to the Official Information Act 1982.

## **2. Draft decision**

2.1.1 The draft decision document at appendix A sets out the:

- (a) background to the matter;
- (b) UTS claimants;
- (c) UTS provisions in the Code and the Authority's statutory objective;
- (d) allegations that a UTS occurred;
- (e) counter-arguments from Genesis Power Limited;
- (f) actions sought by UTS claimants;
- (g) process followed;
- (h) Authority's preliminary findings; and
- (i) draft remedial actions.



### **3. Summary of questions**

3.1.1 In your submission, please answer the questions set out below.

<b>Question No.</b>	<b>Question:</b>
1	Has the Authority accurately recorded and interpreted all of the salient facts in regard to this matter? If not, please detail the inaccuracies.
2	Do you agree with the Authority's draft decision that the situation existing on 26 March 2011 constitutes a UTS? Please give reasons for your answer.
3	Do you agree with the draft remedial actions that the Authority intends to take to correct the UTS? Please give reasons for your answer.
4	Are there any other remedial actions that the Authority should take to correct the UTS? If so, please detail the other actions and give reasons for your answer.

## Appendices

<b>Appendix A</b>	<b>Draft decision of the Electricity Authority under Part 5 of the Electricity Industry Participation Code regarding an alleged Undesirable Trading Situation on 26 March 2011</b>	<b>7</b>
<b>Appendix B</b>	<b>Format for submissions</b>	<b>8</b>

**Appendix A**      **Draft decision of the Electricity Authority under Part 5 of the Electricity Industry Participation Code regarding an alleged Undesirable Trading Situation on 26 March 2011**

## Appendix B      Format for submissions

Question No.	General comments in regards to the question:	Response
1		
2		
3		
4		