

## **Notice of Authority's decision on a breach of the Electricity Industry Participation Code by the market administrator**

The Electricity Authority (Authority) must publicise its reasons for declining to take further action on a breach of the Electricity Industry Participation Code 2010 (Code) by the market administrator.<sup>1</sup> The requirement to publicise the decision is beyond the requirements in the Electricity Industry (Enforcement) Regulations 2010 (Regulations) and is to ensure that decisions made about breaches of the Code by the market administrator are transparent.

### **Breach of clause 7 of Schedule 11.2 of the Code on 27 June 2012**

On 11 July 2012, a participant queried the market administrator about the transfer of an installation control point (ICP) to an embedded network without its consent. The market administrator then realised that, on 27 June 2012, it had breached clause 7 of Schedule 11.2 of the Code when it had authorised a change for 21 ICPs on the registry without first confirming that clauses 1 to 6 of Schedule 11.2 had been complied with.

The market administrator self-reported the breach to the Authority.

### **The Authority's decision**

On 5 September 2012, the Authority's Compliance Committee (Committee) decided under regulation 11(1)(c) of the Regulations to decline to take further action on the breach.

The Committee also issued a warning letter to the market administrator.

### **Reasons for the Authority's decision**

The reasons for the Committee's decision were:

1. the breach had no market impact. The participant that had queried the transfer had since given its consent and had advised that the transfer had caused very little impact;
2. the market administrator had already taken steps to prevent recurrence by developing an application form for applicant distributors to use and by updating its procedures;
3. the breach warranted a warning letter as it was caused by inadequate procedures and a lack of training. The breach also had the potential for market impact.

### **Audit review**

If an interested participant is concerned about the process followed by the Authority in the initial fact finding exercise leading to the Committee's decision, the participant may request that the Authority's process is audited by an independent person.

### **Contact details**

Please contact [compliance@ea.govt.nz](mailto:compliance@ea.govt.nz) if you have any questions.

---

<sup>1</sup> <http://www.ea.govt.nz/document/12330/download/act-code-regs/code-regs/guidelines/compliance/>