

## Market Notice

To: Market Participants  
From: Electricity Commission  
Date: 4 May 2006

### Claimed Undesirable Trading Situation (UTS)

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This notice advises market participants of a claim made to the Electricity Commission (Commission) by Genesis Energy Ltd (Genesis) on 1 May 2006, claiming the existence of a UTS in respect of prices (including final and indicative final prices) for lower North Island nodes in relation to trading period 35 on Friday, 28 April 2006 and subsequent trading periods.

The Genesis claim is published as a companion document to this notice. The claim also considers that, in the view of Genesis, the circumstances regarding its claim may be occurring on an ongoing basis in respect of lower North Island nodes.

Specifically, Genesis has requested that:

- as final prices have already been published for trading period 35 on 28 April 2006 which may contain errors, the Commission should direct that any trades affected by this error for that trading period and any other trading periods the Board considers appropriate be closed out or settled at a specified price; and
- the Commission should delay the publication of final prices for trading periods in subsequent days where the Commission considers these trading periods are affected by the circumstances of the claim.

Upon receipt of this claim, the Commission began preliminary investigations into the circumstances, including discussions with the pricing manager and system operator.

As part of these preliminary investigations, the Commission was advised by the system operator that an SPD modelling error had occurred affecting final prices for trading period 35 on 28 April 2006. The system operator advised the Commission that this error had been corrected in subsequent trading periods.

Accordingly, the Commission has declined to delay the publication of final prices for any subsequent trading periods.

The Commission's investigation in response to the Genesis claimed UTS is ongoing. Once the investigation has been completed, the Commission's UTS Committee will meet to consider the findings from this investigation. Market participants will be notified of the Commission's decision in respect of this alleged UTS in due course.

A handwritten signature in black ink, appearing to read "Roy Hemmingway". The signature is written in a cursive style with a prominent initial "R".

**For the Electricity Commission Board**  
Roy Hemmingway (Chair)