

## Electricity Industry Participation (Credit Rating) Code Amendment 2011

Pursuant to section 38 of the Electricity Industry Act 2010, I make the following amendments to the Electricity Industry Participation Code 2010.

At Wellington on the 25<sup>th</sup> day of May 2011



Dr Thomas Brent Layton  
Chairperson  
Electricity Authority

Certified in order for signature:



Andrew Springett  
Senior Legal Counsel  
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25 May 2011



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25 May 2011

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### Amendment

#### 1 Title

This Amendment is the Electricity Industry Participation (Credit Rating) Code Amendment 2011.

#### 2 Commencement

This Amendment comes into force on 1 July 2011.

#### 3 Principal Code amended

This Amendment amends the Electricity Industry Participation Code 2010.

#### 4 Acceptable credit rating and security

Clause 14.6 is amended by revoking subclause (1) and substituting the following:

“(1) For the purposes of clauses 14.3(a), 14.4, 14.5(b) to (d), and 14.7(2)(a), an acceptable credit rating means that a **payer**, surety, **bank** or guarantor of the **payer** (as the case may be)—

“(a) must carry a long term credit rating of at least—

“(i) A3 (Moody’s Investor Services Inc.); or

“(ii) A- (Standard & Poors Ratings Group); or

“(iii) B+ (AM Best); or

“(iv) A- (Fitch Ratings); and

“(b) if it carries a credit rating at the minimum level required by paragraph (a), must not be subject to negative credit watch or any similar arrangement by the agency that gave it the credit rating.”

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#### Explanatory Note

*This note is not part of the Code Amendment, but is intended to indicate its general effect.*

This amendment to the Electricity Industry Participation Code 2010 comes into effect on 1 July 2011. The amendment adds an A- rating from Fitch Ratings to the list of acceptable credit ratings for the purposes of satisfying a payer’s prudential security requirements.

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Date of notification in the *Gazette*: 2 June 2011.