

# CLAIM OF UNDESIRABLE TRADING SITUATION (UTS)

## CONTACT DETAILS

Reporting Participant:	Switch Utilities Limited
Contact Name:	Nick Yates
E-mail:	nick@switchutilities.co.nz
Phone:	09 489-5291
Mobile:	021-967-276
Fax:	09 489-2072

## **BASIS OF CLAIM**

### **Definition of “undesirable trading situation”, clause 1.1 of the Code**

*Specify relevant paragraphs under which Participant claims a UTS - refer to the full definition set out below*

Describe why in your view the claimed UTS is a contingency or event that threatens, or may threaten, trading on the wholesale market for electricity and that would, or would be likely to, preclude the maintenance of orderly trading or proper settlement of trades.

- 1. Switch Utilities Limited wishes to advise the Electricity Authority that it considers that a UTS should be declared relating to prices in the electricity market on 26 March 2011.*
- 2. Switch Utilities Limited considers that the EA should investigate the event and determine that the market prices for the day should be adjusted to those that reflect normal market operations.*
- 3. Based on our initial calculations, Switch Utilities Limited believes that it has suffered a potential financial loss of, over \$XXXXXX for this one event. This is over two hundred and sixty times what we would expect to pay for electricity in a normal competitive market situation.*
- 4. We are concerned that if this behaviour is allowed to continue that our business will be considerably seriously and negatively impacted. This could ultimately lead to unreasonably higher energy prices and make it even more difficult for emerging alternative retailers to enter the market place.*

Describe why, in your view, the claimed UTS could not be satisfactorily resolved by any other mechanism available under the Code.

- 5. Switch Utilities Limited understands that the only mechanisms in the Code that would address the issues set out above is to declare a UTS.*

## **SOLUTION SOUGHT BY APPLICANT**

### **Clause 5.2 of the Code**

Describe how in your view the claimed UTS could be resolved by the Board, bearing in mind the following powers of the Board should it find that a UTS does exist

- suspending, or limiting or curtailing, an activity on the wholesale market for electricity, either generally or for a specified period:
- deferring completion of trades for a specified period:
- directing that any trades be closed out or settled at a specified price:
- giving directions to any participant to act in a manner (not inconsistent with the Code, any regulations, the Act, or any other law) that will, in the Board's opinion, correct or assist in overcoming the undesirable trading situation:

1. *We understand that the EA has launched a formal investigation into the events.*
2. *We request that the EA consider adjusting market prices for Saturday 26 March so that they reflect what would be reasonable to expect in a normal competitive market situation.*

## **WHEN CLAIMED UTS OCCURRED**

Date: 26 March 2011

Time: 10.30am to 5.40pm

## **DESCRIPTION CIRCUMSTANCES AND IMPACT**

*Please provide description of the circumstances surrounding the claim and include a detailed description of the impact the notifying participant suffered as a result of the claimed UTS.*

*See information provided above.*

Please send completed form to [compliance@ea.govt.nz](mailto:compliance@ea.govt.nz)