

**Notice of Making of Electricity Governance
Amendment Rules (No. 65) 2008 and Notice of
Reasons for Decision**

1. Pursuant to section 172I of the Electricity Act 1992 (“Act”), I notify the amendment of the Electricity Governance Rules 2003 (“Rules”) under section 172H of the Act.
2. The empowering provision for the Electricity Governance Regulations in relation to which the Rules are amended is section 172D(1)(1)(b) of the Act.
3. The amendment is to insert a new Rule 11.4.9 into Part J of the Rules, to put in place a new process for reconciling non half hour submission information for the period for which transitional revisions are required, to ensure that the financial disadvantage to incumbent retailers that results from the change from reconciliation on the basis of differencing, to global reconciliation, is minimised.
4. The amendment is made under urgency in reliance on section 172E(3) of the Act.
5. Pursuant to section 172Z(4) of the Act, the reason for my decision to amend the Rules is that the insertion of Rule 11.4.9 in Part J of the Rules resolves an issue that has arisen in relation to the seasonal adjustment shapes required to be calculated and published under the Rules. The issue is a consequence of the transition from reconciliation on the basis of differencing, to global reconciliation. If the reconciliation process, otherwise set out in the Rules, were allowed to operate, it would:
 - (a) result in the inaccurate allocation of electricity volume between participants; and
 - (b) financially disadvantage participants that were incumbent retailers prior to 1 May 2008 compared with participants that were independent retailers prior to 1 May 2008.
6. These Rules come into force 28 days after the date of notification in the *New Zealand Gazette*.
7. Copies of the Rules may be inspected free of charge, or purchased, from the Electricity Commission, Level 7, ASB Bank Tower, 2 Hunter Street, Wellington.
8. The Rules can also be viewed on the Electricity Commission’s website
<http://www.electricitycommission.govt.nz/rulesandregs/rules>

Dated at Wellington this 10th day of September 2008.

DAVID PARKER, Minister of Energy.

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