

JADE SOFTWARE CORPORATION (NZ) LIMITED
Reporting entity

CONTACT ENERGY LIMITED
Participant allegedly in breach

Breach notices 2009-32 (S-CTCT-03032 to 03061)
and 2009-47 (S-CTCT-04038 to 04065)

Record of settlement of alleged breaches of Rule 72.2 of the Gas (Switching Arrangements) Rules 2008

24 June 2009

Record of settlement of alleged breaches of Rule 72.2 of the Gas (Switching Arrangements) Rules 2008

Breach notices:

2009-32 (S-CTCT-03032 to 03061) ("2009-32")

2009-47 (S-CTCT-04038 to 04065) ("2009-47")

Between:

Reporting entity: Jade Software Corporation (NZ) Limited ("Jade")

Participant allegedly in breach: Contact Energy Limited ("Contact")

Background:

- A. On 1 April 2009, Jade notified the Market Administrator of alleged breaches (2009-32) of Rule 72.2 of the Gas (Switching Arrangements) Rules 2008 (the "Switching Rules") by Contact, namely that Contact had not processed various switches on the switch dates that had been requested by the new retailer.
- B. On 1 May 2009, Jade notified the Market Administrator of further alleged breaches (2009-47) of Rule 72.2 of the Switching Rules by Contact, again that Contact had not processed various switches on the switch dates that had been requested by the new retailer.
- C. The Market Administrator referred 2009-32 and 2009-47 to an investigator, Jacquie Kean, for investigation, on 12 May and 3 June 2009, respectively. The investigator consolidated the investigations into one.
- D. As a result of the investigation, the following emerged (in summary):
 - a. Contact admits that it breached Rule 72.2 of the Switching Rules.
 - b. Contact says that requested switch dates have historically been (and were always intended to be) exceptions rather than the norm. For that reason, Contact did not build its automated system to accommodate a request for a specific switch date as it intended to process requested date switches manually.
 - c. However, some other retailers are requesting switch dates under the Switching Rules as a matter of course, rather than on an exceptions basis. Contact agrees that this is permitted by the Switching Rules, but it has been burdensome for Contact to commit personnel to so much manual processing on particular dates for what Contact refers to as "non-critical" switches. Accordingly Contact has been processing requested date switches using its own billing cycles, within the 23 business days contemplated by Rule 70.2.2. To date, no other retailer has complained about this practice.
- E. The parties have agreed to resolve 2009-32 and 2009-47 as set out in this record of settlement.

Settlement:

- 1) Contact has agreed to modify its automated system so that it will process switches on the requested switch date (where a switch date has been requested). It will take approximately three months for the modification to be completed, ie: by around mid-September 2009.

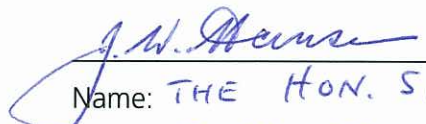
- 2) In the meantime, Contact will communicate with all other retailers in an attempt to obtain their support for the following:
 - a) Contact will manually process any requested date switches (to ensure the switch occurs on the requested switch date) where it has been advised via email that the requested date is warranted due to being a "time of use" consumer switch (primarily large consumers) or a single consumer multi-site switch (where the consumer wishes to align the supply contract start date across multiple sites);
 - b) Contact will automatically process any other switch request using its own billing cycles, within the 23 business days contemplated by Rule 70.2.2.
- 3) This settlement is subject to the approval of the Rulings Panel pursuant to regulation 34 of the Gas Governance (Compliance) Regulations 2008. If the Rulings Panel approves this settlement, this settlement will be final and binding on the parties to 2009-32 and 2009-47, on all participants, and on the Rulings Panel.

Acceptance of parties to settlement:

- Jade notified its acceptance of the terms of settlement in writing to the investigator on 24 June 2009.
- Contact notified its acceptance of the terms of settlement in writing to the investigator on 24 June 2009.

Rulings Panel:

I approve this settlement pursuant to regulation 34 of the Gas Governance (Compliance) Regulations 2008.


Name: THE HON. SIR JOHN HANSEN
Date: 5-8-09.