

<b>NOTICE OF DETERMINATION OF MARKET ADMINISTRATOR</b>	
<b>Dated:</b>	15 July 2010
<b>Breach notice identifying number:</b>	2010-153
<b>Date of receipt:</b>	24 May 2010
<b>Name of reporting entity:</b>	Nova Gas
<b>Name of participant that is alleged to have breached the Rules:</b>	E-Gas Limited (EGLT) and E-Gas 2000 Limited (EGAS)
<b>Name/s of other parties to breach notice:</b>	The Auckland Gas Company Bay of Plenty Energy Contact Energy Energy Direct NZ Genesis Energy Mighty River Power OnGas Vector Transmission
<b>Rule/s allegedly breached:</b>	Gas (Downstream Reconciliation) Rules 2008 Rules 26.2, 26.3, 28.2, 28.3, 28.4, 30.5, 31, 34, 35, 36 and 40
<b>Determination made by market administrator under regulation 18:</b>	<p>In the market administrator's opinion the alleged breaches of rules 26.2, 26.3, 28.2, 28.3, 28.4, 31, 34, 35 and 36 do raise material issues. The alleged breaches will therefore be referred to investigation in accordance with regulation 18(3).</p> <p>The market administrator placed particular weight on the following criteria in making its determination:</p> <ul style="list-style-type: none"> <li>• regulation 19(1)(a) – the alleged breaches were potentially severe</li> <li>• regulation 19(1)(b) – the alleged breaches may have had a material impact on the operation of the market</li> </ul>

	<ul style="list-style-type: none"><li>• regulation 19(1)(f) – the alleged breaches may have resulted in costs being born by other participants or persons</li><li>• regulation 19(1)(g) – the alleged breaches have been admitted in part.</li><li>• regulation 19(1)(h) – the alleged breaches indicate a potential systemic problem with compliance with the rules</li><li>• regulation 19(1)(k) – E-Gas and E-Gas 2000 have been subject to other orders under the Act or these regulations</li><li>• regulation 19(1)(m) – E-Gas and E-Gas 2000 may have benefited from the alleged breaches</li><li>• regulation 19(1)(n) – the complexity of the facts warrant investigation</li></ul> <p>The market administrator has not yet made determinations in respect of rules 30.5 and 40.</p>
--	---