

<b>NOTICE OF DETERMINATION OF MARKET ADMINISTRATOR</b>	
<b>Dated:</b>	13 January 2011
<b>Breach notice identifying number:</b>	2010-362
<b>Date of receipt:</b>	25 November 2010
<b>Name of reporting entity:</b>	OnGas
<b>Name of participant that is alleged to have breached the Rules:</b>	OnGas
<b>Name/s of other parties to breach notice:</b>	Nova Gas, Auckland Gas Company Limited, Bay of Plenty Energy, Genesis Energy, Mighty River Power.
<b>Rule/s allegedly breached:</b>	Gas (Downstream Reconciliation) Rules 2008 Rule 31.1 Rule 32.1 Rule 33.1
<b>Determination made by market administrator under regulation 18:</b>	<p>In the market administrator's opinion the alleged breaches 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 severe</li> <li>• regulation 19(1)(b) – the alleged breaches were likely to have had a material impact on the operation of the market</li> <li>• regulation 19(1)(f) – the alleged breaches were likely to have resulted in costs being borne by other participants or persons</li> <li>• regulation 19(1)(h) – the alleged breaches indicate a systematic problem with compliance.</li> </ul>