

**JADE SOFTWARE CORPORATION (NZ) LIMITED ("JADE")**

**Reporting entity**

**E-GAS 2000 LIMITED AND E-GAS LIMITED**

**Participants allegedly in breach**

**Breach notice 2009-144**

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**Record of partial settlement of alleged breaches of Rule 69.2 of the Gas  
(Switching Arrangements) Rules 2008**

**11 December 2009**

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## **Record of partial settlement of alleged breaches of Rule 69.2 of the Gas (Switching Arrangements) Rules 2008**

### **Breach notice:**

2009-144

### **Between:**

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

Participant allegedly in breach: E-Gas 2000 Limited and E-Gas Limited  
(together, "E-Gas")

### **Background:**

- A. On 1 September 2009, Jade notified the Market Administrator of alleged breaches (contained in breach notice 2009-144) of the Gas (Switching Arrangements) Rules 2008 (the "Switching Rules") by E-Gas, namely that E-Gas was not complying with various timeframes prescribed by the Switching Rules.
- B. The Market Administrator referred 15 of the alleged breaches in 2009-144 to an investigator, Jacque Kean, for investigation, on 13 October 2009. The investigator extended the time for investigation to 11 December 2009.
- C. As a result of the investigation, the following emerged (in summary):
  - a. E-Gas admits that it was in breach of Rule 69.2 as alleged in respect of S-EGAS-08016 and 08017, and S-EGLT-08012 to 08014;
  - b. None of the other parties to the switches that are the subject of this record of partial settlement have joined as parties to breach notice 2009-144, so it may be assumed that any market impact of E-Gas's breaches was not material.
- D. The parties have agreed to resolve the above-listed five of the 15 alleged breaches in 2009-144 as set out in this record of partial settlement.
- E. The following 10 alleged breaches have not been settled and are not part of this partial settlement:
  - a. Alleged breaches to which Nova is a party: S-EGAS-08012 to 08015, and S-EGLT-08004, and 08006 to 08008;
  - b. Alleged breaches to which Akld Gas is a party: S-EGAS-08004 and 08006.

### **Settlement:**

- 1) It has been agreed that the breaches outlined in paragraph C (a) above should not be referred to the Rulings Panel for determination, for the following reasons:
  - a) E-Gas has taken steps to ensure compliance with the timeframes in the Switching Rules from 22 July 2009 onwards, namely a Chief Executive-driven undertaking (of that date) to comply with those timeframes, and the provision of one-on-one training for its staff on the regulatory requirements;
  - b) E-Gas's compliance since the date of that undertaking has steadily improved;

- c) The switches that are the subject of this partial settlement have been resolved.
- 2) This partial settlement of breach notice 2009-144 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 the breaches outlined above in paragraph C(a) and contained in 2009-144, 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 4 December 2009;
- The E-Gas companies notified their acceptance of the terms of settlement in writing to the investigator on 11 December 2009.

**Rulings Panel:**

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

  
Name: Hon Sir John Hansen KNZM

Date: 12 January 2010

**Jacquie Kean**

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**From:** Gas Registry Administrator [gas.registry@jadeworld.com]  
**Sent:** Friday, 4 December 2009 4:58 p.m.  
**To:** Jacquie Kean  
**Cc:** 'Gas Registry Administrator'  
**Subject:** RE: 2009-144 - E-Gas - draft record of partial settlement

Hi Jacquie

I can confirm that Jade has no objection to the terms of the proposed settlement.

Thanks

Greg Hay  
Gas Registry Administrator  
JADE Software Corporation Limited

Gas Registry Helpdesk 0800 652266  
[www.jadeworld.com](http://www.jadeworld.com)

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**From:** Jacquie Kean [mailto:Jacquie.Kean@gasindustry.co.nz]  
**Sent:** Friday, 4 December 2009 12:02 p.m.  
**To:** Gas Registry  
**Subject:** 2009-144 - E-Gas - draft record of partial settlement

Dear Greg,  
Would Jade have any objection to the terms of settlement contained in the attached draft record of partial settlement?  
Many thanks  
Jacquie

**Jacquie Kean**  
Investigator  
Gas Industry Company Limited

[www.gasindustry.co.nz](http://www.gasindustry.co.nz)

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11/12/2009

**Jacquie Kean**

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**From:** Rodney Moore [rodneym@e-gas.co.nz]  
**Sent:** Friday, 11 December 2009 11:06 a.m.  
**To:** Jacquie Kean  
**Cc:** Ron Rosenberg; Syd Hunt; Gavin Chambers  
**Subject:** RE: 2009-144 - Draft record of partial settlement

Hi Jacquie

E-Gas accepts the terms of this partial settlement for 2009-144.

Thank you and regards

**Rodney Moore**  
Sales Support Manager

**DDI: (04) 477 7389**  
**Mob: 027 221 3432**  
**Fax: (04) 499 4965**  
**Freephone: 0800 432 876**

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**From:** Jacquie Kean [mailto:Jacquie.Kean@gasindustry.co.nz]  
**Sent:** Friday, December 04, 2009 12:00 PM  
**To:** Rodney Moore; Ron Rosenberg; Syd Hunt; Gavin Chambers  
**Subject:** 2009-144 - Draft record of partial settlement

Hi Rodney,

I am attaching a draft record of partial settlement in respect of 2009-144. Does E-Gas accept the terms of settlement?

Regards  
Jacquie

**Jacquie Kean**  
Investigator  
Gas Industry Company Limited

[www.gasindustry.co.nz](http://www.gasindustry.co.nz)

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11/12/2009