

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

Reporting entity

E-GAS 2000 LIMITED AND E-GAS LIMITED

Participants allegedly in breach

Breach notice 2009-114

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

19 November 2009

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

Breach notice:

2009-114

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 August 2009, Jade notified the Market Administrator of alleged breaches (contained in breach notice 2009-114) of Rules 69.1, 69.2 and 78.1 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 2009-114 to an investigator, Jacquie Kean, for investigation, on 14 September 2009. The investigator extended the time for investigation to 24 November 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-07019, 07021 and 07022, and S-EGLT-07013, 07022, 07029 and 07030;
 - 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 2009-114, 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 seven of the 30 alleged breaches in 2009-114 as set out in this record of partial settlement.
- E. The following 23 alleged breaches (of Rules 69.1, 69.2 and 78.1) have not been settled and are not part of this partial settlement:
 - a. Alleged breaches to which Nova is a party: S-EGAS-07010, 07012, 07020 and 07024, and S-EGLT-07001, 07003, 07007, 07009, 07014 to 07018, and 07023 to 07028;
 - b. Alleged breaches to which Akld Gas is a party: S-EGAS-07004 and 07006, and S-EGLT-07033 and 07037.

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) The switches that are the subject of this partial settlement have been resolved.
- 2) This partial settlement of breach notice 2009-114 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 2009-114, 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 14 November 2009;
- The E-Gas companies notified their acceptance of the terms of settlement in writing to the investigator on 19 November 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: 27 November 2009

Jacquie Kean

From: Gas Registry Administrator [gas.registry@jadeworld.com]
Sent: Saturday, 14 November 2009 11:37 a.m.
To: Jacquie Kean
Cc: 'Gas Registry Administrator'
Subject: RE: Breach notice 2009-114 - E-Gas

Hi Jacquie

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

Thanks

Greg Hay
Gas Registry Administrator
JADE Software Corporation Limited

Gas Registry Helpdesk 0800 652266
www.jadeworld.com

From: Jacquie Kean [mailto:Jacquie.Kean@gasindustry.co.nz]
Sent: Friday, 13 November 2009 4:20 p.m.
To: Gas Registry
Subject: Breach notice 2009-114 - E-Gas

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

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Jacquie Kean

From: Rodney Moore [rodney@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

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

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Angela Ibbotson

From: Hansens [totaraa@xtra.co.nz]
Sent: Friday, 27 November 2009 10:02 a.m.
To: Angela Ibbotson
Subject: RE: Breach notice 2009-114

Angela

I approve the partial settlement. It may be dated today. I will formally sign it next week
John

From: Angela Ibbotson [mailto:Angela.Ibbotson@gasindustry.co.nz]
Sent: Friday, 27 November 2009 9:33 a.m.
To: Hansens
Subject: FW: Breach notice 2009-114

Good morning Sir John

I have been asked to refer this matter to the Rulings Panel.

Please let me know how you would like to progress. We could discuss this and the other referral next week.

Kind regards

Angela Ibbotson
Legal Adviser
Gas Industry Company Limited

Level 8, The Todd Building
95 Customhouse Quay
PO Box 10 646, Wellington 6143

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From: Jacquie Kean
Sent: Wednesday, 25 November 2009 5:56 p.m.
To: Angela Ibbotson
Cc: Ian Dempster; Lucy Elwood
Subject: FW: Breach notice 2009-114

FYI.

Angela, would you please refer to the Rulings Panel on my behalf. Please note that this is a partial settlement only, so the Rulings Panel will need to determine the other matters (and decide whether to approve the partial settlement).

Regards
Jacquie

23/12/2009

From: Jacquie Kean
Sent: Wednesday, 25 November 2009 5:54 p.m.
To: 'Rodney Moore'
Cc: Ron Rosenberg; Gavin Chambers; Syd Hunt
Subject: Breach notice 2009-114

Dear Rodney,

Please find attached my final report and record of partial settlement in respect of the above. I will now refer this matter to the Rulings Panel, and Gas Industry Co will be in touch in due course about the next steps.

Regards
Jacquie

Jacquie Kean
Investigator
Gas Industry Company Limited

www.gasindustry.co.nz



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