

JADE SOFTWARE CORPORATION (NZ) LIMITED
Reporting entity

THE AUCKLAND GAS COMPANY LIMITED
Participant allegedly in breach

Breach notice 2009-45 (S-AGCL-04017 and 04062)

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

5 August 2009

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

Breach notice:

2009-45 (S-AGCL-04017 and 04062)

Between:

Reporting entity: Jade Software Corporation (NZ) Limited ("Jade")
Participant allegedly in breach: The Auckland Gas Company Limited ("Akld Gas")

Background:

- A. On 1 May 2009, Jade notified the Market Administrator of alleged breaches (2009-45) of Rule 69.2 of the Gas (Switching Arrangements) Rules 2008 (the "Switching Rules") by Akld Gas, namely that Akld Gas had not completed two switches within 23 business days (which is the timeframe prescribed by the Switching Rules).
- B. The Market Administrator referred 2009-45 (S-AGCL-04017 and 04062) to an investigator, Jacque Kean, for investigation, on 19 June 2009.
- C. As a result of the investigation, the following emerged (in summary):
 - a. Akld Gas admits that it breached Rule 69.2 of the Switching Rules.
 - b. The breaches were caused by various factors such as manual processing carried out by temporary staff who may not (then) have had adequate training, diminished numbers of staff due to flu, and "teething" issues with the (then) new Switching Rules.
- D. The parties have agreed to resolve 2009-45 as set out in this record of settlement.

Settlement:

- 1) It has been agreed that 2009-45 should not be referred to the Rulings Panel for determination, for the following reasons:
 - a) Akld Gas has taken steps to minimise non-compliance with timeframes in the Switching Rules, including the development of an automated system for processing (scheduled for installation on 1 October 2009) and increased staff training in the meantime;
 - b) No other participant has indicated that there has been any material market impact as a result of the breaches.;
 - c) The new retailer also appears to have breached the Switching Rules in relation to each switch and its breaches contributed to the delays.
- 2) 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 2009-53, on all participants, and on the Rulings Panel.

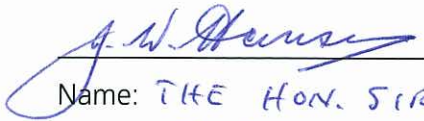
Acceptance of parties to settlement:

- Jade notified its acceptance of the terms of settlement in writing to the investigator on 31 July 2009.

- Akld Gas notified its acceptance of the terms of settlement in writing to the investigator on 5 August 2009.

Rulings Panel:

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



Name: THE HON. SIR JOHN HANSEN KNZM

Date: 5-8-09