

BREACH NOTICE 2016-019

IN THE MATTER OF	Gas Governance (Critical Contingency Management) Regulations 2008, Regulation 18(3) Rule allegedly breached
BETWEEN	Gas Industry Company Limited Reporting entity
AND	Greymouth Gas New Zealand Limited Participant allegedly in breach
AND	Genesis Energy Limited Nova Energy Limited ems Tradepoint Limited Participants joined as Parties

Before: Hon Sir John Hansen

Decision: 20 February 2018

RULING ON INTEREST AND COSTS

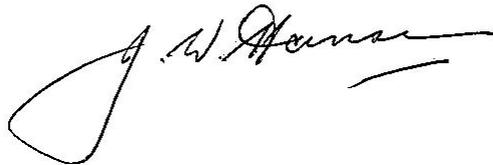
[1] Because the parties could not reach agreement, I called for memoranda to be filed in December last. They were duly filed and forwarded to me. Unfortunately, I overlooked the matter until Ms Dunne sent me a reminder. I apologise to the parties for this error on my part.

[2] This matter was originally set down for an opposed hearing in front of me. However, as a consequence of discussions between myself and counsel appearing for the various parties, considerable progress was made. Greymouth conceded that certain information had to be made available, and the parties entered into further negotiations which ultimately led to an agreed outcome. The only matters left outstanding were any questions of interest of costs.

[3] GIC and Nova submitted that interests and costs should be payable. Greymouth points out that interest is not payable under s43X, although it has been argued by GIC that an interest component could form part of compensation under that section. Greymouth further argues that given that was an inadvertent breach, and the agreement reached by settlement clarified the situation relating to the levies payable. Indeed, GIC introduced additional requirements into this year's levy regulations ("this year" being 2017).

[4] In the circumstances, where Greymouth inadvertently breached regulations which have since been clarified further, and where apparently other parties are under active breach notices, I consider the negotiated outcome was sensible and pragmatic, and assisted all the market and GIC in having the situation clarified.

[5] In those circumstances I am satisfied there should be no award of interest (leaving aside any questions of jurisdiction) and costs should lie where they fall.

A handwritten signature in black ink, appearing to read 'J. W. Hansen', with a large, stylized flourish on the left side.

Sir John Hansen KNZM
Rulings Panel