

MARKET ADMINISTRATOR DETERMINATION	
<b>Date</b>	2 March 2019
<b>Breach notice number</b>	2017-116
<b>Notice receipt date</b>	30 August 2017
<b>Reporting entity</b>	Veritek Limited
<b>Participant alleged to have breached the Rules/Regulations</b>	Mercury NZ Limited
<b>Participant/s joined as a party<sup>1</sup></b>	Nova Energy joined this breach notice
<b>Rule/Regulation allegedly breached</b>	<p>Gas (Downstream Reconciliation) Rules 2008</p> <p>Rules 26.2.1, 26.3 and 28.2</p> <ul style="list-style-type: none"> <li>• Rule 26.2 Every allocation participant must provide the information required under these rules in a manner that is: <ul style="list-style-type: none"> <li>Rule 26.2.1 Accurate and complete;</li> </ul> </li> <li>• Rule 26.3 Where an allocation participant is or becomes aware of a cause of UFG at a gas gate, it must use reasonable endeavours to remedy the cause of UFG or reduce the UFG occurring at the gas gate.</li> <li>• Rule 28.2 Every retailer must ensure the conversion of measured volume to volume at standard conditions and the conversion of volume at standard conditions to energy complies with NZS 5259 for metering equipment installed at each consumer installation for which the retailer is the responsible retailer.</li> </ul>
<b>Material Issue</b>	<p>No material issue/s is raised.</p> <p>The Market Administrator has, in determining the materiality of the alleged breach/es, taken into account the factors listed in regulation 19(1) of the Gas Governance (Compliance) Regulations 2008 to the extent the factors are practical or relevant.</p> <p>The Market Administrator has also taken into account any information provided in accordance with regulation 14(1) of the Gas Governance (Compliance) Regulations 2008.<sup>2</sup></p>

<sup>1</sup> This is a participant who has notified the Market Administrator that it considers that it is affected by the alleged breach and wished to become a party to the breach notice.

<sup>2</sup> The Market Administrator will keep confidential all information provided or disclosed to it except to the extent that disclosure is permitted under regulation 15(1) of the Gas Governance (Compliance) Regulations 2008.