

Maui Product Listing – Implementation

This paper sets out emsTradepoint's proposed approach to manage the transition from a Vector Product Listing (NGP-FR) to a Maui Product Listing (NGP-TRS). It has been released as part of consultation on Version 6 of the Market Rules.

BACKGROUND

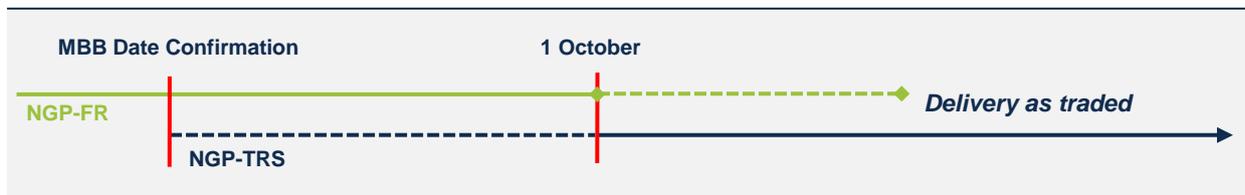
emsTradepoint currently lists daily, weekly and monthly contracts for delivery on the Vector pipeline at Frankley Road. Under the incoming 'Market-based Balancing' (MBB) regime, emsTradepoint will introduce a Maui Hub and product listing, and remove the Vector product. The implementation date for MBB is provisionally 1 October, from which point the Maui product would be able to be delivered.

PROPOSED DUAL LISTING

emsTradepoint intends to make the Maui product available for trade once Maui Development Limited (MDL) has confirmed the date for MBB, 1 October or otherwise.

Following confirmation, both the Vector and Maui products would be listed and tradable concurrently, but with non-overlapping delivery periods. So, for a 1 October implementation, the NGP-FR product would be for delivery up to and including 30 September and the NGP-TRS product would be for delivery on and after 1 October.

emsTradepoint would publish notice of this 'dual-listing' taking effect as per the Market Rules (Version 6).



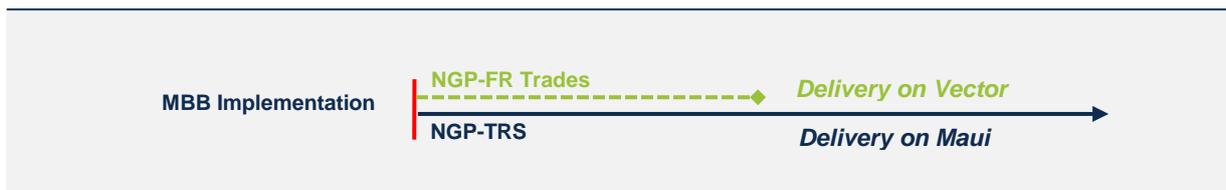
This approach allows:

- full product listing continuity - there will not be a period where product availability is limited or no products are available for trade
- product delivery as traded
- a complete reference price to be calculated on the first day of daily cash-outs under MBB
- new entrant participants who wish to trade only the Maui product to be on-boarded and trading prior to 1 October

MANAGEMENT OF EXISTING TRADES

From now until the Maui product is live, participants will be able to trade the Vector product for delivery up to 24 months ahead, i.e. for delivery after the transition to the Maui product.

emsTradepoint intends for these to be settled as traded - any trades in the Vector product for delivery after MBB implementation would remain for delivery on the Vector pipeline.



- Participants would be required to manage delivery obligations between the NGP-FR and NGP-TRS product (if they have traded NGP-FR for delivery periods after MBB implementation).
- Existing NGP-FR positions for delivery after MBB implementation would not be able to be modified/ liquidated against a direct equivalent.

SUBMISSIONS

1. Do you agree with the proposed approach?
2. Any other feedback or points for consideration.

Please submit responses to the above questions to supportdesk@emstradepoint.co.nz by **29 May 2015**.

For more information please contact the Support Desk on (04) 590 6692.