



**THE NATURAL GAS (PRICE RESTRAINT) REGULATIONS
1981**

DAVID BEATTIE, Governor-General

ORDER IN COUNCIL

At the Government House at Wellington this 7th day of December 1981

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to sections 83 and 132 of the Commerce Act 1975, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

ANALYSIS

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REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Natural Gas (Price Restraint) Regulations 1981.

(2) These regulations shall come into force on the 14th day after the date of their notification in the *Gazette*.

2. Interpretation—In these regulations, unless the context otherwise requires,—

“Corporation” means the Natural Gas Corporation of New Zealand Limited;

“Gas distribution authority” means—

- (a) The Auckland Gas Company Limited; or
- (b) The Hamilton City Council; or
- (c) The New Plymouth City Council; or
- (d) The Levin Borough Council; or
- (e) The Hawera Gas Company Limited; or
- (f) The Wanganui City Council; or
- (g) The Palmerston North City Council; or
- (h) The Wellington Gas Company Limited; or
- (i) The Hutt Valley Energy Board:

“Minister” means the Minister of Energy;

“Secretary” means the Secretary of Energy.

3. Application—These regulations apply to natural gas sold by the Corporation and not for the time being subject to price control under section 82 of the Commerce Act 1975.

4. Restrictions on price at which Corporation may sell natural gas—The Corporation shall not sell natural gas to which these regulations apply at a price that exceeds the maximum price that, under these regulations, may be charged or received for that gas.

5. Lawful price for natural gas in respect of which no authorised price is fixed—Where the Secretary has not for the time being fixed under these regulations the maximum price at which natural gas to which these regulations apply may be sold, the maximum price that may be charged or received for that gas by the Corporation shall be the maximum price lawfully being charged or received by the Corporation for natural gas on the day before these regulations came into effect.

6. Authorised prices—(1) The Secretary may, by approval given in accordance with these regulations, authorise a maximum selling price in respect of the sale by the Corporation of natural gas to which these regulations apply.

(2) Any approval given for the purposes of this regulation—

(a) May be absolute or conditional; or

(b) May be of general application or may be limited in its application to natural gas sold to any specified gas distribution authority.

(3) The Secretary may publish in the *Gazette* such particulars as he thinks fit of any approval given by him under this regulation.

7. Application for authorised price—(1) The Corporation may from time to time apply to the Secretary for an amendment to any maximum price for the time being authorised to be charged or received by the Corporation for natural gas to which these regulations apply.

(2) Every such application shall be accompanied by such information as the Secretary requires.

(3) The Secretary shall consider the application on its merits and having regard to his duties under these regulations shall either approve the application, in whole or in part, or refuse it.

(4) The Secretary may, as a condition of the approval of any application, require the Corporation to publish or communicate to gas distribution authorities, in such manner as he thinks fit, such information relating to the decision as he requires.

(5) The Corporation commits an offence against these regulations and is liable on summary conviction to a fine not exceeding \$1,000 if it fails to comply with the requirements of any condition applicable to it and imposed pursuant to subclause (4) of this regulation.

8. Secretary may review price on his own motion—(1) The Secretary may, on his own motion, but with the consent of the Minister, and after giving notice to the interested parties of his intention to do so, review the price of natural gas to which these regulations apply, the margins incorporated in that price, and the terms of any pricing formula used in the calculation of that price.

(2) The Secretary may, for the purposes of giving effect to the findings of his review, exercise any of the powers conferred on him by regulation 6 of these regulations.

9. Reasons for decision of Secretary to be given on request—The Secretary, if the Corporation or any gas distribution authority so requests, shall give in writing to the Corporation or to the gas distribution authority, as the case may require, his reasons for any decision he has made under these regulations in relation to the price of natural gas to which these regulations apply.

10. Certain duties to be discharged by Secretary in determining prices—Before coming to any decision affecting the price of natural gas to which these regulations apply, the Secretary shall observe the duties that would be imposed on him if his decision were one to which section 97 of the Commerce Act 1975 applied.

11. Maximum price—The maximum price that the Secretary may fix under these regulations in respect of natural gas to which these regulations apply shall be the aggregate of—

- (a) The maximum price that would have been fixed if that natural gas had been subject to price control under section 82 of the Commerce Act 1975; and
- (b) An amount in respect of the costs of the construction and operation by the Corporation of a pipeline to carry natural gas to Hawkes Bay, which amount shall be calculated by a method from time to time agreed on by the individual gas distribution authorities and the Corporation and approved by the Minister.

12. Offence—The Corporation commits an offence against these regulations and is liable on summary conviction to a fine not exceeding \$1,000 if it acts in contravention of regulation 4 of these regulations.

P. G. MILLEN,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations set up an individual system of price restraint in respect of natural gas which is sold by the Natural Gas Corporation of New Zealand Limited and which is not for the time being subject to price control under section 82 of the Commerce Act 1975.

The maximum selling price of that gas is to be the aggregate of the price controlled price (determined in accordance with the criteria in the Commerce Act 1975) and an amount in respect of the costs of the construction and operation by the Corporation of a pipeline to carry natural gas to Hawkes Bay.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 10 December 1981.

These regulations are administered in the Ministry of Energy.