

23 October 2012



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Andrew Walker
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Dear Andrew

**Submission on Exemption Application
and Special Allocations**

1. Vector Limited ("Vector") welcomes the opportunity to make a submission on the Gas Industry Company's ("GIC") consultation document, *Consultation on exemption application and special allocations*, released on 15 October 2012.
2. Vector does not have any objections to the GIC's proposals to:
 - a. Grant an exemption for the Kaimiro Mixing Station Delivery Point under Rule 19 of the Gas (Downstream Reconciliation) Rules 2008 ("the Rules"). This would exempt Greymouth Gas from complying with consumption information obligations of the Rules on the basis that the gas gate in question, when created, will be directly connected to the transmission system and supply a single consumer. The benefits of reconciliation arrangements are not sufficient to outweigh the costs of compliance in this case. It is noted that the same exemption currently applies to 39 other single consumer gas gates.
 - b. Direct special allocations for the March 2011 to July 2011 consumption periods to correct the final allocations for the Tawa A gas gate, but not for the remaining months where final allocations have yet to take place. This follows the discovery by a retailer of an error in its submission of consumption information at this gas gate.
 - c. Grant an exemption to the Allocation Agent to allow for the recalculation and republication of the annual Unaccounted-for-Gas factor for the Tawa A gas gate in relation to the error identified above.

3. Vector agrees with the GIC that the above proposals would better meet the efficiency objectives of the Rules.
4. In relation to the proposed exemption for the Kaimiro gas gate in "a." above, Vector considers the start date of 18 October 2012 to be too soon given that this gas gate did not officially exist at this date. The start date for this exemption should be aligned with the creation date of the gas gate.
5. No part of this submission is confidential and Vector is happy for it to be made publicly available.
6. Vector's contact person for this submission is:

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Yours sincerely



Bruce Girdwood
Manager Regulatory Affairs