

## Rule 37 Accuracy Threshold Submission

Submission prepared by: Genesis Energy, Andrew Maseyk

QUESTION	COMMENT
<p>Q1</p> <p>Do you support maintaining the current accuracy threshold of <math>\pm 10\%</math>? Please provide reasons for your preference</p>	<p>Yes, on the basis that nothing in the paper strongly supports a change. For future analysis, I believe focus should be on first determining the optimum amount of movement the industry wishes to carry, and then assessing the impact of the new threshold (if any change). The current consultation appears to be determining the threshold based on the impact on breach numbers.</p> <p>Additionally from some work Genesis Energy has done on its movement in submissions, we have seen in recent months an influence of the published residual profile (which nets all participants submission inaccuracies) on our interim (and subsequently final) submissions.</p>
<p>Q2</p> <p>Do you have any further comments or information relevant to Gas Industry Co's determination?</p>	<p>I would make the following comments on particular points of the consultation paper:</p> <p>2.2 Observations – I would contend that a greater influencing factor in the reducing breaches over the period October 08 – July 10, is that at the early stages of global reconciliation a lot data integrity issues were identified and corrected which shows in volatility between the initial and final submissions.</p> <p>3.3 We should be very careful about using the F-F* calculation to justify a particular threshold as it does not reflect the actual harm caused by estimation variance. It is a convenient algorithm used to arrive at a financial settlement of breaches to prevent passage to the rulings panel stage.</p>