

# Appendix A Submissions template

Statement of Proposal: Downstream Reconciliation Rules Review

Submission prepared by: Contact Energy Limited

QUESTION	COMMENT
<p>1 Do you agree that commercial arrangements provide sufficient obligations on meter owners for the purpose of the Rules? With regard to the suggestion by the DRAG, do you consider there is an identifiable market failure that merits Gas Industry Co developing a workstream on the creation of guidelines and/or principles for metering contracts?</p>	<p>Contact considers that commercial arrangements are the best place to incentivise performance to agreed service levels. This includes commercial sanctions where those service levels are not met. There are other provisions to cover performance for the purpose of the rules. These include:</p> <ul style="list-style-type: none"><li>- The safety and measurement regulations which require meter owners to comply with NZS 5259. This covers all aspects of the gas measurement system lifecycle (design, construction, installation, testing, operation and maintenance). It is expected the ESS will arrange meter owner compliance audits from time-to-time.</li><li>- The reconciliation rules which require meter owners to comply with the meter accuracy requirements set out in NZS 5259.</li></ul> <p>The proposed new registry metering fields which together with meter owner/distributor performance audits cover registry population where use of the registry data by retailers would impact consumer billing and allocation/reconciliation accuracy.</p>
<p>2 Given that the review will cover all of the long-standing exemptions do you agree that the exemptions process should be retained?</p>	<p>Yes.</p>
<p>3 Do you agree with the proposal to codify a rule for direct connect gas gates? Do you agree with the creation of a new rule enabling Gas Industry Co and the allocation agent to access direct connect injection data as requested?</p>	<p>Yes.</p>

QUESTION	COMMENT
4 Do you agree with the proposed rule for G1M gas gates? Do you agree with establishing the deterministic criteria for G1M gas gates in an industry determination?	Yes. We also suggest that the specific thresholds used for the annual determination be published.
5 Do you agree with the proposed rule change for unmetered and oversized metered gas gates?	Yes.
6 Do you have any comments on Gas Industry Co's recommendation not to change the method of apportioning the ongoing fees?	No.  We agree to maintain the current method of apportioning ongoing fees based on volume.
7 Do you agree with the proposed rule enabling the correction, where necessary, of an AUFG factor if it is found to be incorrect?	Yes.  We suggest that the thresholds used to determine if a correction is appropriate be published in a guideline.
8 Do you agree with the proposal for dealing with estimated daily energy quantities?	We agree with the suggested methodology, removal of the word "actual" throughout the rules and its replacement with a new definition for "daily metered energy quantities".
9 Do you agree with the proposal to amend the rules relating to trading notifications?	Yes, as it will reduce compliance costs.
10 Do you agree that a rule should be created enabling performance audits to cover the accuracy of data population in the registry? Do you think that audits should be limited to certain fields relevant to reconciliation or would you prefer broader audit arrangements contained within the Switching Rules?	Yes, provided the scope of the audits is restricted to data that if used by a retailer would be likely affect the accuracy of consumer billing or allocation/reconciliation.
11 Do you agree that rule 75 should be amended to allow the auditor more discretion in determining who should be responsible for paying the costs of an event audit?	Yes.

QUESTION	COMMENT
<p>12 Do you agree that a rule should be created to require audits of major system changes? If so, do you agree that a post go-live audit should also be required? Do you think the definition of “major” should be specified in the Rules or in an industry guideline?</p>	<p>We agree that a rule should be created to require pre and post go live audits of major system changes. We believe it would be helpful if a guideline was established to define “material”.</p>
<p>13 Do you agree that rule 42 is redundant and should be deleted from the Rules? Will your organisation be adversely affected by its removal? Should the obligations in rule 28.4 be extended to transmission system owners?</p>	<p>Yes. Contact would not be adversely affected by its removal.</p> <p>Yes, the obligations in rule 28.4 should be extended to transmission system owners.</p>
<p>14 Do you support the proposal to allow allocation participants access to the GAR170 report? If not, would you support disclosure of submission information consistent with the SupSub report?</p>	<p>We would welcome access to allocation participants of the GAR170 report. We believe this would provide greater transparency of each participant’s submissions – consistent with the electricity industry. We have found in the electricity industry that transparency of consumption information submitted by all retailers, together with transparency of unaccounted for energy (UFE) allocation information, provides a very effective mechanism for retail participants to identify the source of abnormal UFE and decide whether consequential financial accruals are required.</p>
<p>15 Do you agree with the minor and technical amendments proposed in this section? Do you agree that the proposals meet the criteria in section 43N(3) of the Gas Act?</p>	<p>Yes, and we agree that they meet the section 43N(3) criteria.</p>
<p>16 Do you have any comments on the transitional issues discussed in this section?</p>	<p>We do not foresee many system changes but rather some process changes which should easily assist the proposed go-live date of 1 June 2013.</p>