



**Submission on the Consultation Paper: Proposed Guideline Notes for the
Gas (Downstream Reconciliation) Rules 2008**

From

Contact Energy Limited

26 January 2009

Introduction

Contact Energy Limited ("Contact") welcomes the opportunity to provide feedback to the Gas Industry Company ("GIC") on its Consultation Paper: Proposed Guideline Notes for the Gas (Downstream Reconciliation) Rules 2008. Contact's comments follow in the format recommended by the GIC.

For any questions related to this submission, please contact:

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Question	Comment
<p>Q1: Do you have any comments on, or suggested amendments to, the proposed "guideline note re rule 47 – force majeure event and annual UFG factor"?</p>	<p>3.2 – Two further relevant examples:</p> <ul style="list-style-type: none"> • ICPs allocated to the wrong gas gate (e.g. Newlands) is another good example if associated consumption is relatively material. • Discovery of "orphan" installations (installs with no Retailer). <p>3.4(a) – A variance of 0.025 (2.5%) seems high, 0.0025 (0.25%) might be more acceptable.</p> <p>3.4(b) – It would be better to delete this threshold and rely solely on 3.4(a).</p>
<p>Q2: Do you have any comments on, or suggested amendments to, the proposed "guideline note rules 44 and 51 – correction of allocations by allocation agent and special allocations"?</p>	<p>Under 2.4 of the guideline notes it states that if the correction was advised before 1730 hours on the next business day after the allocation results were provided, but the allocation agent does not amend the allocation results, then the corrected consumption data is to be resubmitted for the next scheduled allocation; i.e. included in the interim or final allocation. Yet if the correction was advised after 1730 hours the allocation agent must consider if the correction of the error would have resulted in a materially different allocation, etc. Surely the same consideration of materiality should apply under 2.4 rather than the agent simply not amending the allocation.</p> <p>Also the area around the re-submitting of corrected consumption information and its timing could be better defined:</p> <p>Under 2.1 - ... must immediately advise the allocation agent ... and provide corrected consumption information (assume this is also immediately).</p> <p>Under 2.3 - Up until 1730 hours on the next business day ... allocation may amend the allocation results ... The allocation must have amended the allocation results ... Not</p>

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	<p>consistent between may and must.</p> <p>Under 2.4 - If the allocation does not to amend the allocation results by 1730 hours on the next business day ... Again not consistent with must from 2.3</p> <p>Under 2.4 - ... the corrected consumption information is to be resubmitted for the next scheduled allocation ... Correction file to be submitted immediately in 2.1 but then to be re-submitted, i.e. submitted twice.</p> <p>Under 2.7 - ... the corrected consumption information is to be resubmitted for the next scheduled allocation ... Correction file to be submitted immediately in 2.1 but then to be re-submitted, i.e. submitted twice.</p>
<p>Q3: Do you have any comments on, or suggested amendments to, the proposed "guideline note rule 61 – guidelines for determinations on profiles"?</p>	<p>2.3(b)(ii) – 35.3 allows the retailer to use its own seasonal shape methodology or flat shape, not just flat shape, where the SADSVs are not available covering the complete read - read period.</p> <p>3.2(a)(iv) - Contact does not believe "similar units costs" should play any part in eligibility criteria. This also comes up in several other clauses including (but not limited to) 4.2(a)(iii).</p> <p>5.3(b) – "consumption information" should be "profile shape", as profiles are essentially about shape not consumption.</p> <p>5.4(c) – This clause should be deleted. Similarity to the gas gate residual profile should</p>

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	<p>have no bearing on reasonableness of the profile. Furthermore, it is up to the Retailer to determine if they will be better off using a dynamic deemed profile, not the allocation agent (approval authority).</p>
<p>Q4: Do you have any comments on, or suggested amendments to, the proposed "guideline note rule 64 – referral to industry body of disputed profile determinations"?</p>	<p>No comment</p>
<p>Q5: Do you have any comments on, or suggested amendments to, the proposed "guideline note rules 65 to 75 and 80 – the commissioning and carrying out of performance audits and event audits"?</p>	<p>1.3(c) – 1.085 is clearly an error, should be 1.035.</p> <p>2.5(b) – should include responsibility for protection of confidential information.</p> <p>2.9 – Contact still has a problem with rule 67 as it is unduly restrictive and is unlikely to enable the resolution of longstanding UFG issues, e.g. the misallocation of around 500 Newlands ICPs where the event occurred in 2001. Given this limitation Contact considers most excessive UFG issues will go unresolved as the trend information needed to assist resolution will require investigation of records going back many years (assuming of course they are still available from systems or archives).</p> <p>4.2(b) – processing (e.g. set-up) and / or reporting errors should be added.</p>
<p>Q6: Do you have any comments on, or suggested amendments to, the proposed "guideline note re the management of change requests for the allocation</p>	<p>In Contact's experience a threshold of \$3,000 or an increase in ongoing costs of \$2,000 p.a. would easily be met and therefore this threshold may slow down the change process - as has been our experience under the VTC Change request appeal</p>

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system or the provision of services by the allocation agent”?	process.
Q7: Do you have any topics or issues related to the Rules that you would like Gas Industry Co to consider issuing further guidance material on?	No comment