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2 July 2009

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Ian Dempster
Gas Industry Company
PO Box 10-646
Wellington

Dear Ian

**MINOR AMENDMENTS TO THE GAS (DOWNSTREAM RECONCILIATION)
RULES 2008**

Thank you for the opportunity to comment on the proposed minor amendments to the Gas (Downstream Reconciliation) Rules 2008. I am responding on behalf of Energy Direct NZ (EDNZ).

EDNZ supports the proposed changes.

If you would like to discuss our comments further please contact me by email at tara.gannon@energydirectnz.co.nz or by phone on DDI 06 349 2055. Alternatively you can contact our General Manager, Michael Ram, by email at michael.ram@energydirect.co.nz or by phone on 06 349 0129.

Yours sincerely

A handwritten signature in black ink that reads "Tgannon".

Tara Gannon
Energy Trading Manager

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MINOR AMENDMENTS TO THE GAS (DOWNSTREAM RECONCILIATION) RULES 2008

Submission from: **Energy Direct NZ**

Contact: Tara Gannon

Question	Comment
<p>Q1: <i>In relation to the proposal to amend rule 45 to ensure that all residual injected gas quantities are allocated when no consumption information has been submitted:</i></p> <ul style="list-style-type: none">• <i>Do you agree or disagree with the proposal? Please provide reasons.</i>• <i>Do you have any comments on the specific drafting proposed?</i>• <i>Do you agree or disagree that the proposal meets the requirements of section 43N(3) of the Act?</i>	<p>Yes, we agree with the proposal to formally document the current process as all injected quantities should be allocated.</p>
<p>Q2: <i>In regard to the proposal to amend rules 31, 41 and 48 so that injection and consumption information and allocation reports can be provided at 1200 hours rather than 0800 hours:</i></p> <ul style="list-style-type: none">• <i>Do you agree or disagree with the proposal? Please provide reasons.</i>• <i>Do you have any comments on the specific drafting proposed?</i>• <i>Do you agree or disagree that the proposal meets the requirements of section 43N(3) of the Act?</i>	<p>Yes, we agree with the proposal and proposed drafting. We are happy for the deadlines to be formally extended as the process has worked appropriately and not been delayed with the current exemption applications in place.</p>

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Question	Comment
<p><i>Q3: In regard to the proposal to amend rule 25 so that Gas Industry Co is able to give notice of file formats for additional information exchanges required by the Rules:</i></p> <ul style="list-style-type: none"> • <i>Do you agree or disagree with the proposal? Please provide reasons.</i> • <i>Do you have any comments on the specific drafting proposed?</i> • <i>Do you agree or disagree that the proposal meets the requirements of section 43N(3) of the Act?</i> 	<p>Yes, we agree that the rule change is reasonable, and that the GIC should be able to request specific file formats after consultation with the allocation participants and the Allocation Agent.</p>
<p><i>Q4: In regard to the proposal to include a new subclause 26.4 which will enable the allocation agent to reasonably request any information required for its role:</i></p> <ul style="list-style-type: none"> • <i>Do you agree or disagree with the proposal? Please provide reasons.</i> • <i>Do you have any comments on the specific drafting proposed?</i> • <i>Do you agree or disagree that the proposal meets the requirements of section 43N(3) of the Act?</i> 	<p>Yes, we agree that the rule change is reasonable. We would be willing to provide any information reasonably requested by the Allocation Agent to help them to perform their duties.</p>

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Question	Comment
<p>Q5: <i>In regard to the proposal to amend rule 39 to extend the deadline for the provision of trading notifications:</i></p> <ul style="list-style-type: none">• <i>Do you agree or disagree with the proposal? Please provide reasons.</i>• <i>Do you have any comments on the specific drafting proposed?</i>• <i>Do you agree or disagree that the proposal meets the requirements of section 43N(3) of the Act?</i>	<p>We agree the extension to the trading notification deadline is appropriate. Retailers are often unaware of switches until after the switch date has passed and it was not always possible to meet the original deadline of the last business day of the month prior to reporting.</p>
<p>Q6: <i>In relation to the proposal to amend rules 5, 30, 41, 44, 45, and 48-50 to better reflect the role of TSOs and transmission arrangements in the downstream allocation process:</i></p> <ul style="list-style-type: none">• <i>Do you agree or disagree with the proposal? Please provide reasons.</i>• <i>Do you have any comments on the specific drafting proposed?</i>• <i>Do you agree or disagree that the proposal meets the requirements of section 43N(3) of the Act?</i>	<p>We agree with all of the proposed changes to clarify the role of the TSO and transmission arrangements.</p>

MINOR AMENDMENTS TO THE GAS (DOWNSTREAM RECONCILIATION) RULES 2008

Question	Comment
<p><i>Q7: In relation to the minor drafting changes proposed in section 3.7:</i></p> <ul style="list-style-type: none"> • <i>Do you agree or disagree with the proposals? Please provide reasons.</i> • <i>Do you have any comments on the specific drafting proposed?</i> • <i>Do you agree or disagree that the proposals meets the requirements of section 43N(3) of the Act?</i> 	<p>r15-18 & 23-24 We agree with the minor proposed changes relating to drafting of the ongoing fees and notice provisions.</p> <p>r30 We agree with the minor drafting changes to rule 30 which clarify the retailer reporting requirements.</p> <p>r40 We agree with the change of deadline to reflect current practices.</p> <p>r52 We agree with the drafting changes to clarify procedures and timeframes relating to annual reconciliation.</p>
<p><i>Q8: Are there any other potential rule changes which are minor and insubstantial in nature, that you would like to see?</i></p>	<p>No.</p>
<p><i>Q9: Do you have any comments on the drafting of any other aspects of the proposed rule amendments attached as Appendix A? Where appropriate, please provide a marked-up copy of the rule amendments (note a Word version is available on Gas Industry Co's website for this purpose)</i></p>	<p>No.</p>