



20/7

16 April 2009

Mr B Walker  
Gas Industry Company  
PO Box 10-646  
Wellington

Dear Bas

**RULE 41 AND 42 EXEMPTIONS**

Thank you for the opportunity to comment on the Report on exemptions granted in respect of rules 41 and 42 of the Gas (Downstream Reconciliation) Rules 2008 consultation paper. I am responding on behalf of Energy Direct NZ (EDNZ).

We support the extension of both exemptions.

If you would like to discuss our comments further please contact me by email at [tara.gannon@energydirectnz.co.nz](mailto: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](mailto:michael.ram@energydirect.co.nz) or by phone on 06 349 0129.

Yours sincerely

*T. Gannon*

Tara Gannon  
**Energy Trading Manager**

Enc

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## Submission on Initial Exemptions under the Gas (Downstream Reconciliation) Rules 2008

Submission from: **Energy Direct NZ**

Contact: **Tara Gannon**

In regard to the rule 4.1:

Question	Comment
<p><i>Q1: Do you agree or disagree with a continued relaxation of the 0800 hours deadline for the provision of information under rule 4.1? Please give reasons</i></p>	<p>EDNZ would prefer to continue with the current 12pm deadline.</p> <p>Our system generates reconciliation data overnight and often does not complete processing until close to 8am. In addition we often receive TOU data for certain sites close to the end of the third working day. If the deadline is brought forward it is likely that more sites will need to be estimated where reads are not received and processed in time. The extended deadline gives us more time to check the data before submitting it.</p>
<p><i>Q2: If there is continued relaxation of the deadline via exemption, do you favour retaining the 1200 hours deadline or tightening the deadline to either 1000 or 1030 hours? Please give reasons.</i></p>	<p>We would prefer to continue with the current 12pm deadline, for the reasons stated above. Longer deadlines allow us to enter and process more actual reads, which increases the proportion of historic estimates and will result in more accurate data.</p> <p>Longer deadlines also allow us to complete a more detailed review of data, and errors are more likely to be picked up before submission.</p> <p>We would prefer the gas injection and retailer allocation data deadlines to remain the same, as both are required as inputs to the allocation data.</p>
<p><i>Q3: Vector's view is that the costs that would be incurred to enable information under rule 4.1 to be reliably provided by 0800 hours are too substantial to be justified by the benefits. Do you accept this view or do you think that further information should be sought? Please give reasons.</i></p>	<p>We do not believe that it is necessary to decrease the deadline. If other parties believe that it is, they should quantify the benefits and Vector should provide further detail on the costs.</p>

## Submission on Initial Exemptions under the Gas (Downstream Reconciliation) Rules 2008

<p><i>Q4: Gas Industry Co's preliminary view is that there appears sufficient reason for the extension of an exemption to 30 September 2010, perhaps with a modified deadline. Do you agree or disagree with this view? Please give reasons.</i></p>	<p>EDNZ agrees that it is reasonable to extend the period for the modified deadline. If the modified deadline is to continue long term, a rule change would be appropriate.</p>
<p><i>Q5: Are there any as yet unreported problems that have been caused by the existing exemption that you would like to identify and comment on?</i></p>	<p>No, this exemption has not caused any problems for EDNZ.</p>

### In regard to the rule 42:

Question	Comment
<p><i>Q5 Do you agree or disagree with Gas Industry Co's preliminary view that an appropriate course of action is to continue an exemption under rule 42 on the terms and conditions set out in section 5.2 above? Please give reasons</i></p>	<p>We agree that this exemption should be granted, as the telemetry data it relates to is not essential to the allocation process.</p>
<p><i>Q6 Are there any other approaches allocation participants consider to be more appropriate in respect of an exemption? If yes, then please provide details and give reasons.</i></p>	<p>No.</p>
<p><i>Q7 Are there any as yet unreported problems that have been caused by the existing exemptions that you would like to identify and comment on?</i></p>	<p>No, all of the problems we have experienced in relation to rule 42 have been previously discussed and are in the process of being resolved.</p>

