

Appendix A Recommended format for submissions

To assist Gas Industry Co in the orderly and efficient consideration of stakeholders’ responses, a suggested format for submissions has been prepared. This is drawn from the questions posed in the body of this Consultation Paper. Submitters are also free to include other material on the exemption applications in their responses.

Submission from: Contact Energy (Rod Crone)..... (company name and contact)

Question	Comment
<p>Q1: <i>Do you consider that the exemption sought for Nova’s bypass networks should be granted? Please give your reasons.</i></p>	<p>As downstream reconciliation is not relevant at gas gates where there is currently no UFG to be allocated to multiple retailers sharing the gas gate (such as for Nova Gas bypass network (non open access) or direct consumer gas gates) Contact considers on the basis of this argument alone that the Nova Gas bypass network gas gates should be exempted from the application of the rules identified in the Nova Gas exemption application.</p> <p>However there is an argument for greater transparency of UFG on all networks, and at present that can only be achieved under the current rules by inclusion in the allocation process. See also our response to Q3 below.</p>
<p>Q2: <i>Do you consider granting an exemption is desirable to better achieve the objectives set out in section 43ZN of the Act and the purpose of the Rules?</i></p>	<p>Contact believes that the Nova Gas bypass networks were originally exempted from information disclosure and open access because landfill gas was transported in their pipelines.</p> <p>As most if not all of the Nova Gas bypass pipelines are now transporting non-landfill gas meeting the gas specification suitable for open access, and given the significant growth in the number of customers and particularly the load supplied via the bypass networks, the time has come to question whether the continued exemption from information disclosure and open access is still appropriate in the interests of promoting transparency and competition in the gas industry.</p>

Question	Comment
<p>Q3: <i>Do submitters have any other comments on the application from Nova seeking exemption from the allocation of gas for its bypass networks?</i></p>	<p>It is noted there is potential for misallocation of ICPs between the open access and bypass networks, and therefore UFG between the open access and Nova Gas bypass networks, and hence transparency of UFG on the Nova Gas bypass networks would help identify potential ICP misallocation to the wrong network. That is, an ICP (and associated consumption) could be allocated to the bypass network while still being physically connected to the neighbouring open access network, thus over reporting UFG on the open access network and under reporting the same level of UFG on the bypass network.</p> <p>This misallocation is more likely when Nova Gas is both a retailer on its own non-open access bypass network and a retailer on the neighbouring open access network.</p> <p>A similar issue around UFG transparency also occurs in respect of the Tawa A gas gate for which throughput is determined by difference between an upstream metering point and Tawa B (Nova Gas) bypass gas gate. Transparency of UFG may assist identification of a gate metering or ICP misallocation issue.</p> <p>Contact would therefore like to see transparency of monthly and annual UFG at all gas gates, although we accept for non open access networks this may require a future Rule change.</p>