

S005

9 February 2007

Kelly Rastovich
Gas Industry Company Limited
PO Box 10-646
Wellington

Dear Kelly

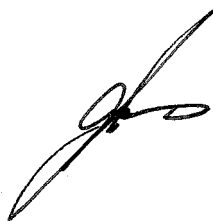
SUBMISSION ON SWITCHING & COMPLIANCE DECISION PAPER

I thank you for the opportunity to make a submission on the Gas Industry Company's Decision Paper and attach GasNet's submission in the format requested.

GasNet has chosen not to provide marked up amendments of the detail of the documents given the extremely short consultation period.

Should you wish to discuss this further please do not hesitate to contact me either by phone at (06) 349 0131 or by email at geoff.evans@gasnet.co.nz.

Yours sincerely



Geoff Evans
Manager

Appendix A: Recommended Format for Submissions

To assist the 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 throughout the body of this consultation document. Respondents are also free to include other material in their responses.

Submission prepared by: Geoff Evans, Manager for GasNet

Question	Comment
<p>Q1: Do you agree that the draft rules did not meet the intent of the rule drafters by effectively making confidential network price and other sensitive information available to all participants?</p>	<p>GasNet is confused by the intent or expectation of this question and is unable to offer an answer.</p> <p>As it is written the question requires judgement on what the intention of the rule drafters was in preparing the draft rules, a question better asked of the rule drafters in what they intended!</p>
<p>Q2: Do you agree that the draft rules should be amended to include a "disclosure on application" code to be used for some ICP parameters?</p>	<p>Yes</p>
<p>Q3: Do you agree that the amended draft rules included in this paper achieve the appropriate outcome for confidential network price and other sensitive information?</p>	<p>Yes</p>
<p>Q4: Do you agree that the draft rules did not meet the needs of participants by not catering for inclusion of consumer installations directly connected to transmission systems?</p>	<p>Yes, the draft rules did not provide for ICP's directly connected to transmission systems!</p>
<p>Q5: Do you agree that the amended draft rules included in this paper are an appropriate means by which ICPs related to consumer installations directly connected to transmission systems should be</p>	<p>Unless Gasnet has misunderstood the intent, the appointment of an ICP on the transmission system to a party, in this case a distributor, who has no operational or commercial relationship with the ICP makes no sense and to suggest an easy fix for a problem at this early stage raises</p>

Question	Comment
<p>added to and maintained in the registry?</p>	<p>serious concern about the robustness of the process going forward.</p> <p>Transmission operators should be parties to the registry as are others and be responsible for their own data.</p> <p>GasNet has one such installation close to its Wanganui Sales Gate and if nomination of the responsible distributor is made on the basis of proximity and geographic footprint then GasNet considers it highly likely that it would be assigned this site. GasNet objects to any such nomination.</p> <p>Although acknowledging that the impact is very small, it would appear that the apportionment of costs to the distributor would include these ICP's as there is no specific mention on them being excluded.</p> <p>In summary Gasnet would be responsible for data at a site it has no commercial relationship, be charged for the ICP and have no party it can pass the cost on to!</p>
<p>Q6: Do you agree that the registry operator should be covered by the compliance regulations in respect of the switching rules which impose process obligations on the registry operator?</p>	<p>Yes</p>
<p>Q7: Do you agree that there should be a liability cap for the registry operator?</p>	<p>Yes</p>
<p>Q8: Do you agree with the amounts specified?</p>	<p>GasNet has no view on this.</p>
<p>Q9: Do you agree that some aspects of the registry operator performance are best managed through a service provider contract?</p>	<p>Yes, providing the separation is cost effective and manageable.</p>
<p>Q10: Do submitters consider that the draft rules attached to this paper adequately reflect the intent of the Switching Proposal? If not,</p>	<p>Other than typo or grammatical errors it is not practical to offer drafting amendments in mark-up form and offers the following comments and</p>

Question	Comment
<p>please provide drafting amendments in mark-up form.</p>	<p>observations;</p> <ol style="list-style-type: none"> <li data-bbox="1115 370 1915 532">1. GasNet remains extremely concerned with the accountability and responsibility in the event that the cost components that made up the cost benefit analysis are found to be understated, particularly given that a number of parties have now made a number of submissions questioning the analysis. <li data-bbox="1115 565 1915 792">2. GasNet has been silent until now regarding the “national energy registry” as it incorrectly assumed that it would be considered at the time that proposals were received from potential suppliers. If a “national energy registry” offers a cost effective solution over others even if some amendments to the registry specification are necessary, then it must be considered. <p>GasNet can only assume that there are reasons other than those stated in Section 3.28 why the GIC has decided to exclude the “national energy registry” and remains to be convinced why the GIC has decided to retain an independent gas registry.</p>
<p>Q11: Do submitters consider that the draft regulations attached to this paper adequately reflect the intent of the Compliance Proposal? If not, please provide drafting amendments in mark-up form.</p>	<p>GasNet has no view on this.</p>