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22 September 2016

Paul Cruse
Gas Industry Company
PO Box 10-646
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By email: paul.cruse@gasindustry.co.nz

Dear Paul

Proposed Modifications to D+1 Business Rules

Genesis Energy Limited welcomes the opportunity to provide a submission to the Gas Industry Company ("the GIC") on the consultation paper "Proposed Modifications to D + 1 Business Rules" dated 1 September 2016.

We support continued refinement and engagement with stakeholders

Genesis Energy appreciates the GIC's proactive approach to further improve the D+1 regime. Continued refinement of the process is of significant benefit to the shippers involved, and we encourage the GIC to continue this work with industry to improve efficiency for participants.

Our responses to your specific questions are set out in the attached Appendix.

If you would like to discuss any of these matters further, please contact myself on 04 830 0015, or Greg Redshaw on 09 951 9249.

Yours sincerely

A handwritten signature in blue ink, appearing to read "VP", with a stylized flourish.

Victoria Parker
Regulatory Advisor

Appendix A: Responses to Consultation Questions

QUESTION	COMMENT
Q1: Should this process to address TOU meter errors be added to the D+1 business rules?	Yes.
Q2: Does the proposed TOU meter error test pick up relevant issues? Do you have any suggestions for improving the test? Please describe your proposal.	Five times historical demand seems very high, particularly if the site is large. This would only resolve very high errors. If historical data is available for the past three years, a factor of 1.5 on the highest peak would be realistic. For new sites the installed capacity for the site running 24 hours per day period could be used as the basis for the sites maximum usage in a day (this is the theoretical maximum a site can consume).
Q3: Is the proposed multiplier appropriate?	The multiplier appears too high – please see our answer to Q2.
Q4: Is the 30 minute window a reasonable amount of time?	Given tight time frames it is important the rules activate at appropriate levels.
Q5: Do you think that the proposed modifications are a reasonable approach to dealing with 'real world' ICP shutdown issues? Do you think that the 0.5 and 100/GJ parameters are appropriate?	This approach is reasonable and offers greater scope of the existing rule. The parameters are acceptable.
Q6: Do you have any suggestions for either improving the proposed modifications or alternative approaches for dealing with this ICP shutdown issue?	No.
Q7: Do you think that the proposed solution for estimating the gas consumption of a new AG2 ICP is reasonable?	The estimation period should commence once commissioning has been completed and the ICP moves into an operational mode.

QUESTION	COMMENT
Q8: Do you have any suggestions for either improving the proposed approach or for an alternative approach?	Yes – we suggest removing the AG2 option for new connections requiring them to be AG1.
Q9: Do you think that the proposed solution for estimating the gas consumption of an ICP that has had a permanent, step change in its gas consumption is reasonable?	Yes – we suggest the GIC defines a material change which would trigger a manual review. For example, a change of 20% or more than 50 GJ per day.
Q10: Do you have any suggestions for either improving the proposed approach or for an alternative approach?	No.
Q11: Do you think the threshold for gate injection estimation should be raised to 5000 GJ?	No. We support the option presented in question 12.
Q12: Alternatively do you support the alternative approach where the 5000 GJ threshold is limited to morning and weekend D+1 runs with a lower limit of 3000 GJ for the weekday afternoon runs?	Yes, we support this approach.
Q13: Apart from these two options are there any other approaches you propose for improving the automation of the D+1 algorithm while at the same time ensuring it is allocating gas as effectively as reasonably possible?	It would be useful for an email to be automatically generated and sent to shippers informing them of a failure of the D+1 run should this occur; particularly over the weekend period.