

22 October 2008

Bas Walker
Gas Industry Company
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WELLINGTON
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Dear Bas,

Reconciliation Rule Exemption Applications (15 October)

Genesis Power Limited, trading as Genesis Energy, welcomes the opportunity to provide a submission to the Electricity Commission on the consultation paper accompanying exemption applications DR08-25-S and DR08-26-T from Vector Gas Limited (Transmission) and DR08-27-U from Nova Gas Limited dated 23 June 2008.

Genesis Energy is pleased to have the opportunity to respond to the issues raised. Appendix A presents responses to the consultation questions.

If you would like to discuss any of these matters further, please contact Ross Parry on 04 495 3348.

Yours sincerely



John A Carnegie
Regulatory Affairs Manager

Appendix A: Responses to Consultation Questions

QUESTION	COMMENT
<p>Q1: Do submitters have any comments on the rule 42 exemption application DR08-25-S from Vector?</p>	<p>Genesis Energy:</p> <ul style="list-style-type: none"> • does not support exemption beyond the end of November; and • does not support special treatment of time limit breaches. <p>If the proposed 'legacy' changes to the Maui Pipeline Operating Code (MPOC) go through, then shippers will face a new balancing environment from early December. From that time, retailers will benefit from daily access to the injection data under rule 42.</p> <p>Genesis Energy agrees that the compliance regime is the best way to settle whether breaches are material or not.</p>
<p>Q2: Do submitters have any comments on the rule 41 exemption for nominated direct connect gas gates application DR08-26-T from Vector?</p>	<p>Genesis Energy supports this exemption.</p> <p>The information is already available via OATIS, so the rule would simply add costs.</p>
<p>Q3: Do submitters have any comments on the application DR08-27-U from Nova seeking exemption from the allocation of gas for "bypass pipeline" gas gates?</p>	<p>Genesis Energy does not support this exemption.</p> <p>Nova Gas benefits from market arrangements and should participate on an equal basis with other retailers and distributors. This application does not differ significantly from Nova's earlier exemption application.</p>