



3 September 2008

Gas Industry Company Limited
By Email
submissions@gasindustry.co.nz

Attention: Bas Walker

Mighty River Power Limited
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Dear Bas

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

Thank you for the opportunity to make a submission in response to the Gas Industry Company Limited paper on Initial exemptions for Gas (Downstream Reconciliation) Rules 2008. No part of this submission is confidential and we are happy for it to be made public.

We are concerned that exemptions are being put in place for rules that were never intended for direct supply agents. The intention of these is for downstream reconciliation only. From what we understand the rules are being misinterpreted in some cases and the intended application has been misplaced. We would like to make known that we are not happy with having to make considerations for exemptions for topics that were never intended within this set of rules.

Please find attached our comments on the exemptions provided in the paper.

Should you have any queries in relation to any of the above or other related issues please do not hesitate to contact me on 09 580 3658 or Chrissy.burrows@mightyriver.co.nz.

Yours sincerely

A handwritten signature in black ink, consisting of a stylized capital 'C' followed by a horizontal line and a small dot.

Chrissy Burrows
Compliance Manager

Appendix A Recommended Format for Submissions

To assist Gas Industry Co in the orderly and efficient consideration of submitters' 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 exemptions in their responses.

Submission from:

Company name: Mighty River Power

Contact Name: Chrissy Burrows

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Question	Comment
Q1: <i>Do submitters have any comments on the transitional exemption DR08-17-T proposed by Gas Industry Co regarding allocation processes for gas gates without allocation 4 or 6 consumption?</i>	<p>We agree that the rules do not adequately provide allocation and the alternative arrangements will cover the requirements considering that there is no impact.</p> <p>We would like to recommend with regards to this issue that individual exemptions for particular gas gates affected be applied rather than a blanket exemption. The reasoning for this is that we are not aware of any groups 3 & 5 presently in place and consider if there are these are an exception to the rule.</p>
Q2: <i>Do submitters have any comments on the transitional exemption DR08-18-T proposed by Gas Industry Co regarding injection quantities for unmetered gas gates?</i>	<p>We would like to question why these gas gates are not metered. This would appear to be the most practical solution to measure the correct information required. We would like to recommend that the rules and processes be reviewed that all gas gates are metered. However in the interim we accept the requirement for the exemption.</p>

Question	Comment
<p>Q3: Do submitters have any comments on the global 1 month methodology exemption applications DR08-02-S from Genesis Energy and DR08-04-S from Contact Energy?</p>	<p>We do not fully support the exemptions from Genesis Energy and Contact energy. However we do agree with the alternative arrangements as suggested by the Gas Industry Company Limited, that is the exemption should be granted then the following terms and conditions should apply.</p> <ul style="list-style-type: none"> • retailers at the gas gate submit their allocation group 1 and 2 consumption data under rules 31, 32 and 33 as allocation group 3 data; and • the allocation agent apply the allocation processes set out under rules 45.2.4 to the allocation group 1 and 2 consumption data submitted as allocation group 3 data; • all other requirements in the Reconciliation Rules (e.g. meter interrogation, reading frequency etc) still apply to the allocation 1 and 2 consumer installations.
<p>Q4: Do submitters have any comments on the direct consumer and non-shared gas gate exemption applications DR08-06-S from Genesis Energy, DR08-10-S from On Gas and DR08-11-S from Mighty River Power?</p>	<p>No comment.</p>
<p>Q5: Do submitters have any comments on the exemption application DR08-05-S from Contact Energy regarding unmetered direct consumers?</p>	<p>We have no objection to the exemption.</p>
<p>Q6: Do submitters have any comments on the ongoing fee exemption applications DR08-08-U from Contact Energy, DR08-07-U from Genesis Energy, DR08-09-U from On Gas and DR08-12-U from Mighty River Power?</p>	<p>No comment.</p>
<p>Q7: Do submitters have any comments on the rule 41 exemption applications DR08-16-S from Vector and DR08-14-S from MDL?</p>	<p>We have no objection to the exemption.</p>
<p>Q8: Do submitters have any comments on the rule 42 exemption applications DR08-15-S from Vector and DR08-13-S from MDL?</p>	<p>Subject to the information being made available in a useable format, we are comfortable with the information being downloaded by OATIS.</p>

Question	Comment
Q9: <i>Do submitters have any comments on the generic exemption application DR08-01-S from Greymouth Gas?</i>	We strongly object to the exemption sought by Greymouth Gas. The rules have to apply to all participants to be fair and consistent. If granted this exemption could become difficult to manage if Greymouth Gas do extend their trading and there is no methodology to address this situation going forward.
Q10: <i>Do submitters have any comments on the transitional exemption application DR08-03-T from Nova Gas regarding the application of seasonal adjustment daily shape values?</i>	We appreciate that Nova Gas may not be ready, however we consider they should be ready by month 4, otherwise there is an impact on other participants reconciliation.