

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:

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Question	Comment
<i>Q1: Do submitters have any comments on the exemption DR09-01-U proposed by Contact regarding the new Stratford 3 direct connect gas gate?</i>	We have not further comments to add.

Question	Comment
<p><i>Q2: Do submitters have any comments on exemptions DR09-02-T proposed by Gas Industry Co and DR09-05-S from Mighty River Power regarding potential arrangements to address negative GGRP values??</i></p>	<ul style="list-style-type: none"> - While we can agree that a zero-floor setting for GGRP and corresponding SADS values does alleviate the issue somewhat, it still allows for an increase in allocated volumes into periods it shouldn't. This is because of the way the volume shifts toward the positive values. We have shown this in the examples already provided to the GIC. As previously stated, this is also an invalid assumption to make, as it would be very unlikely that there is no NTOU gas volume on any given day. - The Gas Rules need to be altered to cater for negative GGRP values. It is obvious that these are occurring on a continuing basis, and without providing the ALLA and/or participants a means to correct these, they can materially effect the allocation volumes provided by the allocation system. While we have provision for washups to occur, if the initial information being submitted into the system is not identified, notified to attributing parties, and then corrected, the problem will continue to exist. - We have seen cases of the transmission system owner also providing incorrect injection volumes into the allocation system. This possibly identifies a key flaw in the TSO's systems and needs to be addressed with appropriate penalties. The initial allocation for GMM is a prime example of this. Consider also what the repercussions would be in the electricity system if Transpower understated or failed to submit accurate GXP metered volume. The same penalty or action should apply here. There should be no normal reason why accurate injection volumes are not provided to the allocation system right from the initial submissions. - In considering the use of a zero-floor method, there needs to be consideration given to the likelihood that a profile for an entire month for a given gas gate, then floored to zero, would result in zero allocation for that participant, as shown by the allocation calculations (Rule 45.2.6) - Where a profile results in a majority of negative values with 1-2 small positive peaks, when the zero-floor is set, the resultant effect is to push the positive peaks higher, thereby increasing the likelihood of capacity over-runs, which materially effects the participants bottom line. <p>While there have been discussions about this matter, we don't believe that the GIC has recognised that we have actually supplied an alternate method of calculation for participants to use. By adopting their own GGRP values, based on robust and proven calculations, we don't see how there can be a detriment to any other retailer. Ethically, it would be remiss of us to misstate any calculations we complete for the benefit of gain in being allocated less gas volumes as this will further detriment the system and simply mean that we're attributed more UFG. This approach, or by using a flat line approach where a negative value occurs (taking the previous positive value and extrapolating it forward until the next positive value occurs) at least provides the opportunity to have some amount of volume attributed to the day in question, a situation which is more in line with reality. This, coupled with a wash up process, should allow for more accurate allocation of volume than simply applying a zero floor.</p> <p>Mighty River Power supports the need for ongoing audits of the information being supplied into the allocation system, especially where Group 1&2 volumes are concerned as material errors here are more likely to eventuate in negative GGRP values being calculated.</p> <p>Whichever method of correcting this issue is deemed to be appropriate, it needs to be noted that the root cause of the issue must be identified and resolved prior to the final wash up for the consumption month being completed. The ALLA is in the best position to determine this, and should be advising participants accordingly.</p>

Question	Comment
<p><i>Q3: Do submitters have any comments on the transitional exemption application DR09-03-T proposed by Gas Industry Co regarding the arrangements for any residual unallocated gas?</i></p>	<p>We require further information to be able to comment on this transitional exemption. We have not been aware of this type of occurrence happening in the normal cause of events and find it hard to understand how this would occur. Are these special cases, or exceptions and what are the quantities involved? If these are small they should be managed as an exception rather than going to the cost of building a fix.</p>
<p><i>Q4: Do submitters have any comments on the exemption DR09-04-S proposed by Contact regarding the rule 39 notification deadlines and the submission of zero data?</i></p>	<p>We find the issue is more with commencement of notification (r39.1.1) rather than ceasing of notifications. We do not support the requirement for an exemption for rule 39.1.2 for the ceasing of a notification. Further we do not support Contact's assertion that the reporting is impractical as we currently have reporting in place to deal with this issue.</p> <p>Whilst we appreciate the importance of this rule to submit notifications for all possible trading areas (as is done with electricity) this makes a farce of these rules. We would prefer to see a more practical application of allowing notification within a timeframe from the point of becoming aware of activation of commencement and cessation of consumers at gas gates. We anticipate the amount of the occurrences to decrease with the event of the new registry. We are experiencing more of these occurrences (we will be self breaching for a further two instances shortly relating to commencement) as the switch process is slow and the receipt of the GTN often held up. We find this is the main cause of issues with this rule.</p>