

Submitter name and contact: Charles Teichert, Nova Gas.

In regard to the rule 41:

Question	Comment
<i>Q1: Do you agree or disagree with a continued relaxation of the 0800 hours deadline for the provision of information under rule 41? Please give reasons</i>	Yes. Nova Gas prefers retaining the additional time for the preparation of initial month end reconciliation data and believe that all parties including Vector benefit from the additional time so that accurate and complete data can be submitted with higher levels of confidence.
<i>Q2: If there is continued relaxation of the deadline via exemption, do you favour retaining the 1200 hours deadline or tightening the deadline to either 1000 or 1030 hours? Please give reasons.</i>	<p>We prefer retaining the 1200 hours deadline.</p> <p>The main issue for Nova and Vector is collecting and validating TOU meter information within the 3 and 1/2 days provided for under the status quo situation.</p> <p>For Nova, meters are read manually as soon as practicable after month end. This generally takes two-three days for Nova to complete including validation checks and the additional half day as it stands is barely sufficient. Shorter time frames are more likely to mean use of more estimates instead of actual usage data.</p> <p>In relation to the application of the deadline to gate injection data – if the decision is made to continue the current deadline timings, we see no advantage in requiring Vector to submit gate injection data at an earlier time.</p>

Question	Comment
<p>Q3: <i>Vector's view is that the costs that would be incurred to enable information under rule 41 to be reliably provided by 0800 hours are too substantial to be justified by the benefits. Do you accept this view or do you think that further information should be sought? Please give reasons.</i></p>	<p>We do not have sufficient information to comment on this. We would also ask the question about what benefit is derived by speeding up the allocation process and whether the incremental improvements that may be feasible will allow those benefits to be realised.</p> <p>The main benefit we believe from speeding up the allocation process is to provide shippers with information for balancing purposes within a shorter time frame after month end. For this to be achieved, the allocation data would need to move forward by more than 6 hours for the value to be significant and would have to be traded off against accuracy that may suffer as a result.</p>
<p>Q4: <i>Gas Industry Co's preliminary view is that there appears sufficient reason for the extension of an exemption to 30 September 2010, perhaps with a modified deadline. Do you agree or disagree with this view? Please give reasons.</i></p>	<p>No we do not disagree. Preferably, the exemption should be replaced by a rule change as soon as practicable.</p>
<p>Q5: <i>Are there any as yet unreported problems that have been caused by the existing exemption that you would like to identify and comment on?</i></p>	<p>No</p>

In regard to the rule 42:

Question	Comment
<p><i>Q5 Do you agree or disagree with Gas Industry Co's preliminary view that an appropriate course of action is to continue an exemption under rule 42 on the terms and conditions set out in section 5.2 above? Please give reasons</i></p>	<p>It should be recognised that data published under Rule 42 is not directly related or required in the allocation process and is primarily used by shippers to for other purposes such as balancing. As such it is a rule that probably does not add significantly to the purposes of the Downstream Reconciliation regulations.</p> <p>There are no regulations currently governing balancing as this is governed by the Maui Pipeline Operating Code (MPOC) and the Vector Transmission Code (VTC).</p> <p>Issues associated with balancing and availability of information for that purpose would be better addressed by the parties to the MPOC and VTC until such time as regulatory outcomes are promulgated.</p> <p>On this basis, we agree that an extension to the exemption should be granted.</p>
<p><i>Q6 Are there any other approaches allocation participants consider to be more appropriate in respect of an exemption? If yes, then please provide details and give reasons.</i></p>	
<p><i>Q7 Are there any as yet unreported problems that have been caused by the existing exemptions that you would like to identify and comment on?</i></p>	<p>With respect to Rule 42, the information currently available through OATIS is not complete so is only partially useful as an aid to managing shipper balancing.</p> <p>Nova agrees with Vector that the costs of providing hourly or daily data collected through telemetry at all delivery points is likely to be expensive for the reasons noted by Vector. Ultimately those costs will be born by consumers. It may be that there are more efficient ways of accessing data sufficient for the purposes intended and that information for every delivery point is not necessary and perhaps aggregated data for regions or zones could perhaps be provided instead at lower cost through a combination of new metering or use of existing metering and applying differencing calculations.</p>

