

Submission from: Nova Gas Limited, Charles Teichert

Question	Comment
<p>Q1: <i>Do submitters have any comments on the exemption DR09-06-T proposed by OnGas regarding an alternative apportionment process for ongoing fees?</i></p>	<p>While Nova supports some of the issues raised by Nova relating to allocation of ongoing fees we do not believe that the exemption process is the right way to achieve those outcomes.</p> <p>We agree with the assessment of the GIC and believe that any reallocation of costs should go through a rule change process.</p>
<p>Q2: <i>In light of the issues raised in section 2.2 above, do submitters have any comments on exemption application DR09-07-T regarding the application of the global 1-month UFG methodology at the additional 21 gas gates identified?</i></p>	<p>The need for exemptions to achieve efficient allocation of volumes between consumer classes (TOU/non TOU) shows that there are significant flaws in the current reconciliation methodology. Those flaws are the fixing of UFG factors for TOU consumers and the allocation of fixed loss factor to TOU volumes prior to seasonal profile creation.</p> <p>Nova believes that the current issues should be fixed by:</p> <p>Setting all loss factors to 0 for all TOU and non TOU consumers and proportionally allocating UFG across all consumption. This will also resolve the need for scaling.</p> <p>If exemptions are to be used as a short term fix then they should be transitional only and some urgency should be accorded to making appropriate rule changes.</p>
<p>Q3: <i>Do submitters have any comments on the potential revocation of the global 1-month UFG methodology at the following gas gates: EGC30701 Edgecumbe DF, ORD24701 Oroua Downs, KRG24101 Kairanga, and HGW14501 Ngaruawahia?</i></p>	<p>In relation to Edgecumbe DF as the significant retailer at that gate, we are not aware of any change in circumstances since October 2008. We have not had sufficient time or resource available to pursue the metering issues with other participants at that gate and believe that a transitional exemption should be retained at least until the UFG issue at that gate is resolved or the rules are amended such that UFG is allocated proportionally to across all consumption at a gate.</p>
<p>Q4: <i>Do submitters have any comments on the potential exemption approaches outlined in respect of application DR09-08-T proposed by Gas Industry Co regarding potential arrangements to address negative GGRP values?</i></p>	<p>Nova believes that the options presented should only be temporary and that longer term solutions involving rule changes should be accorded some urgency. In the short term, the basis for selection of a temporary solution should be lowest cost to achieve the desired outcome.</p>

Question	Comment
<i>Q5: Do submitters have objection to the minor amendment proposed to the Gas (Downstream Reconciliation) Rules 2008 (Exemption DR09-03-T: Residual Injection Quantity Allocation) Notice 2009 to clarify that it does not override the requirements of rule 43?</i>	No