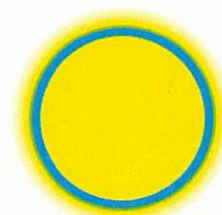


23 December 2008

Malay Shah
Gas Industry Company
P O Box 10-646
Wellington**POWERCO**

Dear Malay,

Re: Transitional Exceptions under the Gas (Switching Arrangements) Rules 2008

Powerco is pleased to have this opportunity to comment on the Transitional Arrangements under the Gas (Switching Arrangements) Rules 2008. The GIC is ascertaining stakeholder views on transitional exemptions sought by registry participants under the gas switching rules. This includes views on Powerco's transitional exemption application on 4 September 2008, to extend the time to enter certain data into the registry from two to ten days. This submission contains more detailed information on why Powerco is seeking an exemption. In relation to the discussion document, we make the following comments.

No:	Question	Response
Q1	Do submitters have any comments on the transitional exemptions regarding retailer switch notice response times from gas retailers?	Powerco agrees that the time frames for the gas switching arrangements should be extended to five business days to align with Part E schedule E2 rule 4.3 of the Electricity Governance Rules.
Q2	Do any submitters have any comments on the transitional exemption application regarding distributor ICP parameter entry timeframes by Powerco?	<p>Rule 5.1.3 provides a timeframe of two business days between receiving confirmation of a new customer and updating of the registry. On 4 September 2008 Powerco applied to extend this timeframe to ten business days.</p> <p>To demonstrate why an extension is needed Powerco has taken a random sample of new ICP requests in November/December 2008. This sample (excluding two outliers) confirms that the average time for processing new connections is five business days (see Attachment A).</p> <p>The main determinant of this timeframe is that some new connections have to accept the cost of any work, before work at the site can commence. In the case of the two outliers, the connections needed to wait until gas was supplied to their street before the job could be approved. Following this analysis, if the Gas Industry Company</p>

		<p>measures the date the connection was entered into the registry and the effective date, it will erroneously look like a breach of the rules on the PR-110 report.</p> <p>Rule 5.3.3 requires all other information not required at a “new” status to be entered into the registry within one business day of receiving it. Again, Powerco has analysed our new connections process and found the average length of time to be ten days (see Attachment A).</p> <p>Ten days was the average length of time a Powerco approved contactor took to provide the paperwork (including the metering details). While metering information is not needed for a ready status, where Powerco owns the meter the contractors perform both the network and metering work as part of the same job. Thus Powerco has to wait for the contractor’s paperwork to make the ICP ready on the registry.</p> <p>Internally we have looked at splitting the work into two jobs for the contractor, but this was found to be costly and impractical.</p> <p>This analysis shows that the timeframes in rule 5.1.3 and 5.3.3 are unrealistic and Powerco will not be able to meet them. Consequently, Powerco requests a rule change.</p>
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Should you have any comments in relation to our letter please do not hesitate to contact me (Paul.Goodeve@Powerco.co.nz) or Sue Simons (Sue.Simons@powerco.co.nz).

Yours faithfully,



Paul Goodeve
Regulatory and Business Manager

Attachment A: Powerco random sample of new ICP dates based on information contained in our workflow system

New Connection Applications

Our Ref	Application Date	Approved Processed	Days (all)	Days* (Days*)
G07866	18/12/2008	18/12/2008	1	1
G07862	16/12/2008	18/12/2008	3	3
G07864	12/12/2008	18/12/2008	7	7
G07855	12/12/2008	18/12/2008	7	7
G07717	13/10/2008	18/12/2008	67	0
G07846	11/12/2008	18/12/2008	8	8
G07848	11/12/2008	18/12/2008	8	8
G07769	19/11/2008	8/12/2008	20	0
G07827	4/12/2008	8/12/2008	5	5
G07828	4/12/2008	8/12/2008	5	5
G07830	5/12/2008	8/12/2008	4	4
G07824	3/12/2008	8/12/2008	6	6
Average			12	5

* Removing the two outliers

Approved Processed equals the date in which we would have entered the information into the registry

Ready Statuses

Our Ref	Work Done	Advised Processed	Days
G07722	15/11/2008	15/11/2008	1
G06984	18/11/2008	27/11/2008	10
G06841	27/11/2008	11/12/2008	15
G07176	14/11/2008	11/12/2008	28
G07816	13/12/2008	15/12/2008	3
G07628	12/12/2008	15/12/2008	4
G07739	10/12/2008	12/12/2008	3
Average			9