



11 Chews Lane
PO Box 10568
The Terrace
Wellington 6143
New Zealand

Genesis Power Limited
trading as Genesis Energy

Fax: 04 495 6363

15 September 2011

Ian Dempster
Gas Industry Company Limited
95 Customhouse Quay
WELLINGTON

By email: submissions@gasindustry.co.nz

Dear Ian

Genesis Energy supports the proposed guideline for standardised billing factors

Genesis Power Limited, trading as Genesis Energy, welcomes the opportunity to provide a submission to the Gas Industry Company on the consultation paper "Proposed guideline for application of gas billing factors" dated 19 August 2011.

Genesis Energy supports the proposed guideline for standardised billing calculations. However, we do have two concerns with the guideline:

1. Joule-Thompson (J-T) effect: Genesis Energy does not expect that adjusting for the J-T effect will improve the accuracy of the billing process. An accuracy improvement by accounting for the Joule-Thompson effect ought to occur in an idealised setting but in reality the actual pressure differences will vary depending on where the network is in relation to the delivery point. This will result in fluctuating J-T corrections. Further, as growth on a network changes, the actual average working pressure will change also leading to a fluctuating J-T correction.
2. Altitude: altitude statistics are sourced from the registry where it is the distributors' responsibility to maintain accurate data. It would be unrealistic to expect retailers to verify the accuracy of these altitude readings for the purposes of billing accuracy so Genesis Energy favours "banding" within a defined tolerance level. We would welcome some form of guidance as to what tolerance is acceptable. We note that the

GIC does not favour using an altitude of zero however we think this would be more accurate for sites up to five meters above sea level than using ten metres (which is another likely default value).

Including meter details on the Registry

Genesis Energy believes that a priority for the GIC to progress ought to be the inclusion of additional metering details on the Registry such as meter set-up parameters. We expect this would improve accuracy as meter owners would be responsible for ensuring the consistency of their information within a central database. We think that this alone would potentially achieve a noticeable reduction in unaccounted-for-gas (“UFG”) and would potentially do more for UFG than standardised billing factors.

Our responses to the consultation questions are in Appendix A.

If you would like to discuss any of these matters further, please contact me on 04 495 6357.

Yours sincerely,



John Bright
Regulatory Affairs Analyst

Appendix A: Responses to Consultation Questions

QUESTION	COMMENT
Q1. Please provide feedback on the above draft guideline note.	Genesis Energy supports the proposed guideline for standardised billing calculations.
Q2. Do you support the addition to the gas registry of further meter set-up parameters, such as meter pressure, meter multiplier and number of dials, as meter owner maintained fields?	Yes.
Q3. Do you agree that a common ground temperature dataset should be established for use in energy conversions by retailers?	We currently maintain our own temperature dataset. We think there is a case for the GIC to consider whether the benefits of developing a centralised temperature dataset outweigh the costs.
Q4. If so, do you have any comments or suggestions as to how the database should be configured?	The best place for the database to sit would be as a standing dataset on the registry that can be downloaded in an easily readable format.