

Gas Industry Company Limited

Application for an Exemption from the Gas (Downstream Reconciliation) Rules 2008

1. Please complete a separate form for each type of exemption sought.
2. Complete sections 1 to 4 of the form for all exemption types. Complete section 5 only in addition for urgent exemptions, and section 6 only in addition for transitional exemptions.
3. Please provide all relevant information. Expand the sections of the form as necessary to provide reasonably full information, but detailed supporting information should be set out in attachments to the form.
4. Gas Industry Co may request additional information after receiving and reviewing the application

1. Name and contact details for the participant(s) seeking exemption:

Company name: Powerco Limited

Phone: +64 6 759 6213

Contact Name: Sue Simons

Fax: +64 6 759 6287

Email: Sue.Simons@powerco.co.nz

Mailing Address: Private Bag 2061
New Plymouth

2. Type of exemption sought (delete all but one):

Standard (under rule 19)

3. Provisions of the Rules from which the exemption is sought:

Powerco seeks an exemption, in respect of two gas gates, from the requirement in the Rules that all gas gates must be accurately metered.

4. State the reasons why you are seeking the exemption and why the exemption sought should be granted

(see notes attached which set out the requirements for different types of exemptions):

Powerco is seeking the exemption in relation to two gas gates, being:

- MTP20601 Matapu; and
- PGH15901 Pungarehu 2.

An exemption is sought for these gas gates because they currently are not metered and, given the small amount of load on these gates, it is considered inefficient to have a gate meter installed.

Describe how the exemption sought may affect other participants (including service providers) and any costs and benefits to them:

Powerco does not believe that the exemption sought will affect other participants, except in relation to Genesis (currently the sole Retailer for these gas gates). Powerco's application for this exemption is consistent with Genesis' view in relation to the metering of these gas gates.

Specify how long the exemption sought is to be in effect for. Give reasons for the period that you specify:

Powerco seeks the exemption indefinitely, or until such point in time where it becomes economic to install meters at these gas gates.

Specify what conditions and/or alternative arrangements relating to the exemption sought are appropriate:

Consumption is currently allocated based on retail consumption records. Powerco requests that these gates continue to be reconciled in this way.

5. Additional information for an urgent exemption:

If your application is urgent, specify the date(s) by when a decision is needed:

State the reasons for seeking an urgent exemption rather than a standard exemption:

6. Additional information for a transitional exemption

State the reasons for seeking a transitional exemption rather than a standard exemption:

Please email this form to exemptions@gasindustry.co.nz

Notes on reasons for seeking an exemption

The passages below are verbatim extracts from the Rules

Purpose of the Rules

2. Purpose

The purpose of these rules is to establish a set of uniform processes that will enable the fair, efficient, and reliable downstream allocation and reconciliation of downstream gas quantities.

Standard Exemptions

19. Industry body may exempt allocation participant

19.1 Subject to rule 19.2, on the application of an **allocation participant** or the **allocation agent**, the **industry body** may, in its discretion and upon the terms and conditions (if any) that it thinks fit, exempt any **allocation participant**, class of **allocation participants**, **gas gate** or the **allocation agent** from complying with all or any of these **rules**.

19.2 The **industry body** may only grant an exemption under rule 19.1 if it is satisfied that the exemption is desirable to better achieve:

19.2.1 The objectives set out in section 43ZN of the Act; and

19.2.2 The purpose of the **rules**.

19.3 Prior to granting an exemption, the **industry body** must –

19.3.1 Publish the application for the exemption, excluding any information it considers to be confidential or commercially sensitive; and

19.3.2 Consult with those persons it considers are representative of those classes of persons likely to be substantially affected by the granting of the exemption.

19.4 The **industry body** must **publish** an exemption, and the reasons for granting the exemption, as soon as practicable after the exemption is granted.

19.5 An exemption takes effect from the date specified in the exemption which may not be earlier than the date that it is **published**.

Urgent Exemptions

20. Urgent exemptions

20.1 The **industry body** may grant an exemption under rule 19.1 without complying with rule 19.3.2 if the **industry body** considers that it is necessary or desirable that the exemption applied for be made urgently.

20.2 In that case –

20.2.1 The exemption must state that it is made in reliance on this rule; and

20.2.2 The exemption must state an expiry date, which must be a date that, in the opinion of the **industry body**, reasonably enables the **industry body** to consult with the persons specified in rule 20.2.3 about the exemption; and

20.2.3 The **industry body** must **publish** the exemption and consult with persons it considers are representative of those classes of persons likely to be substantially affected by the exemption; and

20.2.4 As soon as practicable after consulting in accordance with rule 20.2.3, the **industry body** must:

- (a) determine whether or not to revoke, replace, or amend the exemption; and
- (b) **publish** its determination and the reasons for the determination.

Transitional Exemptions

81. Transitional exemption

81.1 Despite anything in rules 19 and 20 the **industry body** may, in its discretion and upon the terms and conditions (if any) that it thinks fit, exempt any **allocation participant**, class of **allocation participants**, **gas gate** or the **allocation agent** from complying with one or more of these **rules** during the **transitional period**.

81.2 A transitional exemption applies for the period set out in the exemption and must set out alternative arrangements for complying with one or more of the **rules**.

81.3 The **industry body** may by notice require an **allocation participant** or the **allocation agent** to set out in detail any reasons why an exemption is needed, the period for which the exemption should be in effect, and what alternative arrangements should apply.

81.4 If the **industry body** is satisfied that a transitional exemption should be granted, the **industry body** may by notice grant the transitional exemption to the **allocation participant**, class of **allocation participants**, **gas gate** or the **allocation agent** which, in addition to stating the alternative arrangements that will apply, may be subject to such other conditions as the **industry body** thinks fit.

81.5 If the **industry body** grants a transitional exemption under rule 81.4. it must give notice of the transitional exemption to the **allocation participants** affected by the exemption and the **allocation agent**.