



Transitional exemptions under the Gas (Switching Arrangements) Rules 2008

Date issued: 8 February 2010
Submissions close: 8:00am, 15 February 2010





About Gas Industry Co.

Gas Industry Co was formed to be the co-regulator under the Gas Act.

As such, its role is to:

- recommend arrangements, including rules and regulations where appropriate, which improve:
 - the operation of gas markets;
 - access to infrastructure; and
 - consumer outcomes;
- administer, oversee compliance with, and review such arrangements; and
- report regularly to the Minister of Energy and Resources on the performance and present state of the New Zealand gas industry, and the achievement of Government's policy objectives for the gas sector.

Authorship

This paper was prepared by Ian Dempster and Pam Caird.

Submissions close: 8:00am, 15 February 2010

Send to: submissions@gasindustry.co.nz

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Consultation on exemptions

1.1 Exemptions sought

Gas Industry Co has received applications under the Gas (Switching Arrangements) Rules 2008 (Switching Rules) requesting exemptions from the timeframes specified in rules 78.1 and 81.1, which require retailers to respond to gas switching withdrawal notices and switch reading renegotiation notices within two business days. All retailers have an existing exemption in respect of these rules that allows for a five-day response period, and these exemptions will expire on 28 February 2010. All retailers have applied to have the exemption extended until such time that a formal proposal for changing the timeframe in the Switching Rules can be made and considered. Copies of the exemption applications are attached in Appendix A.

Applications note that it generally takes longer than two business days to locate and communicate with affected customer(s) and respond appropriately to gas switching withdrawal and switch reading renegotiation notices. Furthermore, dual fuel (gas and electricity) retailers note that the equivalent timeframes set out in the Electricity Governance Rules (Part E, Schedule E2) are five business days. Aligning the regulatory requirements for these retailers ensures consistency is maintained between consumer expectations as well as retailer business processes across energy products and services.

1.2 Preliminary view

The framework by which transitional exemptions can be assessed and granted is provided in Appendix B. Gas Industry Co's preliminary view of the applications is that:

- granting the exemptions is consistent with the purpose of the Switching Rules (enabling consumers to alternate efficiently and satisfactorily between competing retailers) by providing adequate timeframes for retailers to confirm customer requests to cancel switches or change switch readings;
- in this instance, alignment of the regulatory frameworks across gas and electricity retailing is a reasonable consumer expectation and allows consistency in retailers' business processes across energy products and services;
- granting the exemption is fair to other registry participants, as it would apply equally to all gas retailers; and

- granting the exemptions is a practicable arrangement until such time as a proper review of the Switching Rules can be undertaken.

In addition, the existing exemption has operated successfully since go-live in March 2008 and the feedback from retailers has been that the longer timeframe is necessary for retailers to clarify issues with customers. This point is important as it increases the likelihood that a customer's wishes are given primacy.

1.3 Additional terms and conditions

In the longer term, Gas Industry Co proposes to address this issue via the consideration of potential amendments to the Switching Rules. However, in the interim, Gas Industry Co's preliminary view is that a transitional exemption should be granted, subject to the following terms and conditions:

- retailers must comply with rules 78.1 and 81.1, except that they may respond within five business days instead of two as set out in the Switching Rules; and
- the exemption granted applies from 1 March 2010 to 28 February 2012 (two calendar years).

Do submitters have any comments on the transitional exemption applications or Gas Industry Co's preliminary views of them?

1.4 Invitation to provide submissions

Gas Industry Co invites submissions on the transitional exemptions addressed in this paper. **Please note that it is not necessary for exemption applicants to submit in support of their applications, as non-responses from applicants will be deemed to be agreement with granting the exemptions.**

A suggested format for submissions is provided in the template in Appendix C. The closing time for submissions is **8:00am on Monday, 15 February 2010**. Please note that submissions received after this time will not be considered.

Gas Industry Co's preference is to receive submissions in electronic form (PDF format). You may provide your submission by logging in¹ to the Gas Industry Co website (www.gasindustry.co.nz), navigating to the Switching work programme and uploading your document under the consultation tab by clicking on the submissions button.

Gas Industry Co will acknowledge receipt of all submissions electronically. Please contact Ian Dempster if you do not receive electronic acknowledgement of your submission within two business days.

¹ If you do not already have credentials for the Gas Industry Co website you will need to register to obtain a username and password. You will only need to do this once.

Gas Industry Co values openness and transparency and, therefore, submissions will generally be made available to the public on Gas Industry Co's website. Submitters should discuss any intended provision of confidential information with Gas Industry Co prior to submitting the information.

Appendix A Transitional exemption applications received

SW10-01-T	Genesis Energy (GENG, GEND)	Received 28 January 2010
Gas Industry Company Limited		
Application for an Exemption from the Gas (Switching Arrangements) Rules 2008		
1. Name and contact details for the participant(s) seeking exemption: Company name: Genesis Energy (GENG, GEND) Contact Name: Andrew Maseyk Email: andrew.maseyk@genesisenergy.co.nz Phone: 07 857 1607 Fax: 07 857 1643 Mailing Address: PO Box 1406, Waikato Mail Centre, Hamilton		
2. Type of exemption sought: Transitional (under rule 90)		
3. Provisions of the Switching Rules from which the exemption is sought: Genesis Energy seeks an exemption from the requirement in Rules 78.1 and 81.1 requiring retailer responses within two business days to gas switching withdrawal notices (rule 78.1) and switch reading renegotiation requests (rule 81.1).		
4. State the reasons why you are seeking the exemption and why the exemption sought should be granted <p>An exemption is sought from the two business day timeframe as it generally takes much longer than this for the retailer to communicate with the affected customer(s) and respond accordingly. Furthermore, it is noted that the equivalent timeframes set out in the Electricity Governance Rules Part E Schedule E2 rule are five business days.</p> <p>Genesis Energy believes that there will be no adverse effect on other participants and that a permanent change to the timeframe under rules 78.1 and 81.1 would be supported by other retailers.</p> <p>We seek the exemption until such time that a formal proposal for changing the timeframe under rules 78.1 and 81.1 is made and considered.</p> <p>Genesis Energy suggests that a more appropriate timeframe for compliance with the obligations under rules 78.1 and 81.1 be five business days.</p>		
Please email this form to exemptions@gasindustry.co.nz		

supported by other retailers.

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

We seek the exemption until such time that a formal proposal for changing the timeframe under rules 78.1 and 81.1 is made and considered.

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

The company listed above suggest that a more appropriate timeframe for compliance with the obligations under rules 78.1 and 81.1 be **five** business days.

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

SW10-03-T	E-Gas (EGAS, EGLT)	Received 28 January 2010
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Application for an Exemption from the Gas (Switching Arrangements) Rules 2008

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

Company name: E-Gas Ltd and
E-Gas 2000
Contact Name: Gavin Chambers
Email: gavinc@e-gas.co.nz
Phone: 04 499 4964
Fax: 04 499 4965
Mailing Address: PO Box 2577 Wellington

2. Type of exemption sought: Transitional (under rule 90)

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

The companies listed above seek an exemption from the requirement in Rules 78.1 and 81.1 requiring retailer responses within **two** business days to gas switching withdrawal notices (rule 78.1) and switch reading renegotiation requests (rule 81.1).

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

An exemption is sought from the **two** business day timeframe as it generally takes much longer than this for the retailer to communicate with the affected customer(s) and respond accordingly. Furthermore, it is noted that the equivalent timeframes set out in the Electricity Governance Rules (Part E, Schedule E2) are **five** business days.

The companies listed above believe that there will be no adverse effect on other participants and that a permanent change to the timeframe under rules 78.1 and 81.1 would be supported by other retailers.

We seek the exemption until such time that a formal proposal for changing the timeframe under rules 78.1 and 81.1 is made and considered.

The companies listed above suggest that a more appropriate timeframe for compliance with the obligations under rules 78.1 and 81.1 be **five** business days.

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

SW10-04-T

Energy Direct NZ (EDNZ)

Received 1 February 2010

Gas Industry Company Limited

Application for an Exemption from the Gas (Switching Arrangements) Rules 2008

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

Company name: Energy Direct NZ Ltd

Phone: +64 6 349 0126

Contact Name: Deborah Anderson

Fax: +64 6 349 0122

Email:
debbie.anderson@energydirectnz.co.nz

Mailing Address: PO Box 32, Wanganui 4540

2. Type of exemption sought: Transitional (under rule 90)

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

The companies listed above seek an exemption from the requirement in Rules 78.1 and 81.1 requiring retailer responses within **two** business days to gas switching withdrawal notices (rule 78.1) and switch reading renegotiation requests (rule 81.1).

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 transitional exemptions):

An exemption is sought from the **two** business day timeframe as it generally takes much longer than this for the retailer to communicate with the affected customer(s) and respond accordingly. Furthermore, it is noted that the equivalent timeframes set out in the Electricity Governance Rules Part E Schedule E2 rule are **five** business days.

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

The companies listed above believe that there will be no adverse effect on other participants and that a permanent change to the timeframe under rules 78.1 and 81.1 would be supported by other retailers.

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

you specify:

We seek the exemption until such time that a formal proposal for changing the timeframe under rules 78.1 and 81.1 is made and considered.

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

The companies listed above suggest that a more appropriate timeframe for compliance with the obligations under rules 78.1 and 81.1 be **five** business days.

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

We seek the exemption until such time that a formal proposal for changing the timeframe under rules 78.1 and 81.1 is made and considered.

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

The companies listed above suggest that a more appropriate timeframe for compliance with the obligations under rules 78.1 and 81.1 be **five** business days.

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

SW10-06-T	Mighty River Power (MEEN)	Received 3 February 2010						
<p>Gas Industry Company Limited</p> <p>Application for an Exemption from the Gas (Downstream Reconciliation) Rules 2008</p>								
<ol style="list-style-type: none"> 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 								
<p>1. Name and contact details for the participant(s) seeking exemption:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Company name: Mighty River Power</td> <td style="width: 50%;">Phone (09) 580 3777</td> </tr> <tr> <td>Contact Name: Mark Wilderspin</td> <td>Fax: (09) 580 3515</td> </tr> <tr> <td>Email: Mark.Wilderspin@mightyriver.co.nz</td> <td>Mailing Address: Private Bag 92008, Auckland 1142</td> </tr> </table>			Company name: Mighty River Power	Phone (09) 580 3777	Contact Name: Mark Wilderspin	Fax: (09) 580 3515	Email: Mark.Wilderspin@mightyriver.co.nz	Mailing Address: Private Bag 92008, Auckland 1142
Company name: Mighty River Power	Phone (09) 580 3777							
Contact Name: Mark Wilderspin	Fax: (09) 580 3515							
Email: Mark.Wilderspin@mightyriver.co.nz	Mailing Address: Private Bag 92008, Auckland 1142							
<p>2. Type of exemption sought (delete all but one): (extract taken from the Gas (Switching) Rules 2008)</p> <p>90. Transitional exemption</p> <p>90.1 A registry participant may apply in writing to the industry body for a transitional exemption from complying with one or more of these rules.</p> <p>90.2 A transitional exemption applies for a period set out in the exemption and must set out alternative arrangements for complying with one or more rules.</p> <p>90.3 In the application, the registry participant must set out the rule or rules from which it seeks an exemption, the detailed reasons for the exemption, the period for which the exemption is applied and the alternative arrangements proposed for compliance with the rules.</p>								

90.4 If, after considering the reasons the **industry body** is satisfied that a transitional exemption should be granted, the **industry body** must by notice in writing grant the transitional exemption to the **registry participant** which, in addition to stating the alternative arrangements that will apply, may be subject to such other conditions as the **industry body** thinks fit.

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

Mighty River Power is seeking exemption from the time frames provided in the following rules:

Retailer response to a gas switching withdrawal notice

78.1 Within 2 **business days** after receiving a gas switching withdrawal notice under rule 76.2 the recipient **retailer** must give the **registry** a gas switching withdrawal response notice.

And;

Retailer response to switch reading renegotiation request

81.1 Within 2 **business days** after receiving the **switch reading** renegotiation request notice, the recipient **retailer** must give to the **registry** a **switch reading** renegotiation response notice stating whether or not the **switch reading** renegotiation request is accepted or rejected.

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

This exemption is sought in agreement with other retailers as the time frame of two days is not practical in all cases to allow consideration to be given to a switch withdrawal notice. Participants have agreed that the time frame, of 5 days, as stipulated in the Electricity Governance Rules – 1 May 2008, Part E Schedule E2 rule 4.3, is a functioning time frame and would like the time frame of 5 days applied as the alternative for this exemption.

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

This issue has been discussed with all participants agreeing that the time frame stipulated in this rule was not achievable. This exemption is in support of the Energy Online directive to supply the Gas Industry Company with an industry proposal. We recommend that this exemption be made an

industry exemption.

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

This exemption is requested to apply from go live of the Gas Registry with an end date effective when the rules are altered to cater for this requirement.

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

This exemption is only for the timeframe (2 business days) provided in the two rules quoted and not other aspect of those rules. We will apply an alternative time frame of 5 business days to the processes and applications for the purpose of this rule.

5. Additional information for an urgent exemption:

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

N/A

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

N/A

6. Additional information for a transitional exemption

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

With reference to the recent "Gas Industry Co approach to Rule Changes for the Gas (Switching Arrangements) Rules 2008 and the Gas (Downstream Reconciliation) Rules 2008", the Gas Industry Co will not consider or process any requests for rule changes prior to go live, we recommend that participants apply for exemptions and use an agreed time frame of 5 days.

Our recommendation will be that the following new rule suggestion be considered post go-live.

78.1 Within 5 **business days** after receiving a gas switching withdrawal notice under rule 76.2, the recipient **retailer** must give the **registry** a gas switching withdrawal response notice.

And;

Retailer response to switch reading renegotiation request

81.1 Within 5 **business days** after receiving the **switch reading** renegotiation request notice, the recipient **retailer** must give to the **registry** a **switch reading** renegotiation response notice stating whether or not the **switch reading** renegotiation request is accepted or rejected.

Please email this form to bas.walker@gasindustry.co.nz

SW10-07-T	Greymouth Gas (GMTH)	Received 4 February 2010
<p>Gas Industry Company Limited</p> <p>Application for an Exemption from the Gas (Switching Arrangements) Rules 2008</p>		
<p>1. Name and contact details for the participant(s) seeking exemption:</p> <p>Company name: Greymouth Gas New Zealand Limited Phone: +64 9 373 4222</p> <p>Contact Name: Lara Walker Fax: +64 9 373 4228</p> <p>Email: lara@greymouthpetroleum.co.nz Mailing Address: PO Box 1394 Shortland St, Auckland.</p>		
<p>2. Type of exemption sought: Transitional (under rule 90)</p>		
<p>3. Provisions of the Switching Rules from which the exemption is sought:</p> <p>The companies listed above seek an exemption from the requirement in Rules 78.1 and 81.1 requiring retailer responses within two business days to gas switching withdrawal notices (rule 78.1) and switch reading renegotiation requests (rule 81.1).</p>		
<p>4. State the reasons why you are seeking the exemption and why the exemption sought should be granted</p> <p><i>(see notes attached which set out the requirements for transitional exemptions):</i></p> <p>An exemption is sought from the two business day timeframe as it generally takes much longer than this for the retailer to communicate with the affected customer(s) and respond accordingly. Furthermore, it is noted that the equivalent timeframes set out in the Electricity Governance Rules Part E Schedule E2 rule are five business days.</p> <p><i>Describe how the exemption sought may affect other participants (including service providers) and any costs and benefits to them:</i></p> <p>The companies listed above believe that there will be no adverse effect on other participants and that a permanent change to the timeframe under rules 78.1 and 81.1 would be supported by other retailers.</p> <p><i>Specify how long the exemption sought is to be in effect for. Give reasons for the period that you</i></p>		

specify:

We seek the exemption until such time that a formal proposal for changing the timeframe under rules 78.1 and 81.1 is made and considered.

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

The companies listed above suggest that a more appropriate timeframe for compliance with the obligations under rules 78.1 and 81.1 be **five** business days.

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

SW10-08-T	Energy Online (GEOL)	Received 5 February 2010
<p>Gas Industry Company Limited</p> <p>Application for an Exemption from the Gas (Switching Arrangements) Rules 2008</p>		
<p>1. Name and contact details for the participant(s) seeking exemption:</p> <p>Company name: Energy Online Ltd Contact Name: Pauline Taiaroa Email: pauline.taiaroa@energyonline.co.nz Phone: 09-5394621 Fax: 09-5394633 Mailing Address: PO Box 8288, Symonds Street Auckland 1150</p>		
<p>2. Type of exemption sought:</p> <p>Transitional (under rule 90)</p>		
<p>3. Provisions of the Rules from which the exemption is sought:</p> <p>The companies listed above seek an exemption from the requirement in Rules 78.1 and 81.1 requiring retailer responses within two business days to gas switching withdrawal notices (rule 78.1) and switch reading renegotiation requests (rule 81.1).</p>		
<p>4. State the reasons why you are seeking the exemption and why the exemption sought should be granted</p> <p><i>(see excerpts attached which set out the requirements for transitional exemptions)</i></p> <p>An exemption is sought from the two business day time frame as it generally takes much longer than this for the retailer to communicate with the affected customer(s) and respond accordingly. Furthermore, it is noted that the equivalent timeframes set out in the Electricity Governance Rules (Part E, Schedule E2) are five business days.</p> <p><i>Describe how the exemption sought may affect other participants (including service providers) and any costs and benefits to them:</i></p> <p>The companies listed above believe that there will be no adverse effect on the other participants and that a permanent change to the time frame under rules 78.1 and 81.1 would be supported by other retailers.</p> <p><i>Specify how long the exemption sought is to be in effect for. Give reasons for the period that you specify:</i></p> <p>We seek the exemption until such time that a formal proposal for changing the timeframe under rules 78.1 and 81.1 is made and considered.</p> <p><i>Please attach any additional information to this application.</i></p> <p>The companies listed above suggest that a more appropriate timeframe for compliance with the obligations under rules 78.1 and 81.1 be five business days.</p>		
<p>Please email this form to exemptions@gasindustry.co.nz</p>		

SW10-09-T	Auckland Gas Company (AGCL)	5 February 2010
<p>Gas Industry Company Limited</p> <p>Application for an Exemption from the Gas (Switching Arrangements) Rules 2008</p>		
<p>1. Name and contact details for the participant(s) seeking exemption:</p> <p>Company name: Auckland Gas Company Phone: +64 9 308 3793</p> <p>Contact Name: Colin Leslie Fax: +64 9 308 3772</p> <p>Email: cleslie@toddenenergy.co.nz Mailing Address: PO Box 8044, Symonds St Auckland 1150</p>		
<p>2. Type of exemption sought:</p> <p>Transitional (under rule 90)</p>		
<p>3. Provisions of the Rules from which the exemption is sought:</p> <p>The companies listed above seek an exemption from the requirement in Rules 78.1 and 81.1 requiring retailer responses within two business days to gas switching withdrawal notices (rule 78.1) and switch reading renegotiation requests (rule 81.1).</p>		
<p>4. State the reasons why you are seeking the exemption and why the exemption sought should be granted</p> <p>An exemption is sought from the two business day timeframe as it is understood that a current exemption application process is being treated by the industry as a continuation of the current exemption. We further understand that there is potential for the new exemption to apply only to those retailers that apply for the extension of the existing exemption and that if a retailer were not to apply then potentially they will face timelines in line with the rules while other retailers have a timeline in line with a new exemption.</p> <p>The companies listed above are of the view that the same timeframes in the rules should apply to all retailers whether it be two days as per the rule, five</p>		

days as per the current exemption or any other timeframe determined and agreed to through consultation.

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

The companies listed above accept that the timeframe to respond to the switching rules can be quite difficult and while making the best endeavors ourselves to comply have not always been successful in regards to the existing timelines.

Removing the exemption for rule 81.10 and 78.1 will increase the breaches occurring in the switching process. Meeting timelines can be difficult due to problems contacting the customer, staff unavailability, timing of sending and receiving notifications and automation of processes and systems can all contribute to these problems.

Quick response times to these notices can be mitigated by the party sending the notice supplying evidence supporting the correct reading or documentation supporting the consumers request to withdraw by email to the other retailer involved and we would expect that this additional process is continued to be supported by other retailers and promoted by the Gas Industry Company as best practice.

The companies listed above believe that the rules and any exemptions to timelines be applied to all retailers fairly.

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

We seek the exemption until such time that a formal proposal for changing the timeframe under rules 78.1 and 81.1 is made, considered and determined.

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days as per the current exemption or any other timeframe determined and agreed to through consultation.

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

The companies listed above accept that the timeframe to respond to the switching rules can be quite difficult and while making the best endeavors ourselves to comply have not always been successful in regards to the existing timelines.

Removing the exemption for rule 81.10 and 78.1 will increase the breaches occurring in the switching process. Meeting timelines can be difficult due to problems contacting the customer, staff unavailability, timing of sending and receiving notifications and automation of processes and systems can all contribute to these problems.

Quick response times to these notices can be mitigated by the party sending the notice supplying evidence supporting the correct reading or documentation supporting the consumers request to withdraw by email to the other retailer involved and we would expect that this additional process is continued to be supported by other retailers and promoted by the Gas Industry Company as best practice.

The companies listed above believe that the rules and any exemptions to timelines be applied to all retailers fairly.

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

We seek the exemption until such time that a formal proposal for changing the timeframe under rules 78.1 and 81.1 is made, considered and determined.

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

rules should apply to all retailers whether it be two days as per the rule, five days as per the current exemption or any other timeframe determined and agreed to through consultation.

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

The companies listed above accept that the timeframe to respond to the switching rules can be quite difficult and while making the best endeavors ourselves to comply have not always been successful in regards to the existing timelines.

Removing the exemption for rule 81.10 and 78.1 will increase the breaches occurring in the switching process. Meeting timelines can be difficult due to problems contacting the customer, staff unavailability, timing of sending and receiving notifications and automation of processes and systems can all contribute to these problems.

Quick response times to these notices can be mitigated by the party sending the notice supplying evidence supporting the correct reading or documentation supporting the consumers request to withdraw by email to the other retailer involved and we would expect that this additional process is continued to be supported by other retailers and promoted by the Gas Industry Company as best practice.

The companies listed above believe that the rules and any exemptions to timelines be applied to all retailers fairly.

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

We seek the exemption until such time that a formal proposal for changing the timeframe under rules 78.1 and 81.1 is made, considered and determined.

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

Appendix B Transitional exemption framework

Transitional exemptions under the Switching Rules

The Switching Rules provide for Gas Industry Co, as the industry body, to exempt a registry participant from complying with one or more of the Switching Rules subject to certain conditions. A transitional exemption application must apply for a specified period and must also set out alternative arrangements for complying with the rules concerned. If a transitional exemption is granted, notice must be given to the affected registry participant(s). Gas Industry Co will also publish all transitional exemptions granted under the Switching Rules on its website. Rule 90 provides the following:

- 90.1 A registry participant may apply in writing to the industry body for a transitional exemption from complying with one or more of these rules.
- 90.2 A transitional exemption applies for a period set out in the exemption and must set out alternative arrangements for complying with one or more rules.
- 90.3 In the application, the registry participant must set out the rule or rules from which it seeks an exemption, the detailed reasons for the exemption, the period for which the exemption is applied and the alternative arrangements proposed for compliance with the rules.
- 90.4 If, after considering the reasons, the industry body is satisfied that a transitional exemption should be granted, the industry body must by notice in writing grant the transitional exemption to the registry participant which, in addition to stating the alternative arrangements that will apply, may be subject to such other conditions as the industry body thinks fit.

Evaluation criteria

The Switching Rules do not provide any express criteria for consideration prior to the granting of a transitional exemption. Nevertheless, it is desirable for criteria to be established to enable transitional exemption applications to be considered in a consistent manner. The criteria Gas Industry Co has adopted for considering transitional exemption applications under the Switching Rules are based on the criteria set out in the information paper '*Dealing with Exemptions under the Downstream Reconciliation and Switching Rules*' and applied as follows:

Criterion	Source	Evaluation
Consumer choice of retailer is enabled	Rule 3 (Purpose)	<ul style="list-style-type: none">• The extent to which the exercise of consumer choice is enabled or barriers reduced

Criterion	Source	Evaluation
Efficient and satisfactory switching outcomes	Rule 3 (Purpose)	<ul style="list-style-type: none"> • The extent to which the process of switching retailers is made more efficient and timely • The extent to which a successful switch is achieved (ie, one which meets the reasonable expectations of a consumer)
Transitional nature of exemption	Rule 90 (Transitional Exemption)	<ul style="list-style-type: none"> • A demonstrated inability to comply with a rule for reasons that are temporary (ie will be corrected or overcome by a defined time) and exist despite genuine attempts to comply (ie, not the result of a wilful intent to avoid compliance or inadequate attempts to achieve compliance) • An alternative arrangement is defined that is practicable, fair to other registry participants, and consistent with achieving the purpose of the Switching Rules

Other information may be considered when evaluating an exemption application, although such considerations should not override the application of the criteria set out above. Information of this type may include the extent to which:

- there are relevant precedents from prior decisions;
- the underlying issue affects a number of participants rather than just the applicant; and
- granting the exemption affects:
 - overall industry costs or the ongoing operations of the gas registry;
 - the compliance regime under the Gas Governance (Compliance) Regulations 2008;
 - downstream reconciliation processes under the Gas (Downstream Reconciliation) Rules 2008; or
 - critical contingency management processes under the Gas Governance (Critical Contingency Management) Regulations 2008.

Appendix C Recommended format for submissions

To assist Gas Industry Co in the orderly and efficient consideration of responses, a suggested format for submissions has been prepared. Submitters are also free to include other material on the exemptions in their responses.

Please note that it is not necessary for exemption applicants to submit in support of their applications, as non-responses from applicants will be deemed to be agreement with granting the exemptions.

Submission from:..... (company name and contact)

Question	Comment
<i>Q1: Do submitters have any comments on the transitional exemption applications or Gas Industry Co's preliminary views of them?</i>	