

**Subject**            **Notice of Determinations by the Industry Body (Gas Industry Co) under the Gas (Downstream Reconciliation) Rules 2008**

**Version**            **1.4**

**Date**                **30 September 2010**

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## **1. Introduction**

- 1.1 The Gas (Downstream Reconciliation) Rules 2008 (the "Reconciliation Rules") provide for the establishment of efficient and effective downstream allocation and reconciliation arrangements, including the accurate and timely allocation of gas recorded at gas gates between those retailers who are metering gas to consumers from the distribution system attached to the gas gate.
- 1.2 The Reconciliation Rules provide for Gas Industry Co, as the industry body approved under the Gas Act 1992, to determine:
- non-business days additional to weekends and national public holidays;
  - groups of gas gates under the definition of gas gate (rule 5); and
  - the required accuracy of consumption information for initial allocation (rule 37).

Gas Industry Co's determinations in respect of these matters are set out in this notice.

## **2. Process for making changes to this notice**

- 2.1 This notice will need to be amended from time to time in accordance with the requirements of the Reconciliation Rules and to reflect changing circumstances and other factors.
- 2.2 The process which is intended for making changes to this notice is as follows:
- The proposed notice change will be advised to all allocation participants. Where the changes are minor or affect only specifically identifiable parties and no consultation is required under the Reconciliation Rules, it is intended that the proposed change will be notified by email. Where the changes are considered to have a wide effect, or consultation is required under the Reconciliation Rules, it is intended that the proposed amendments to the notice will be posted on the Gas Industry Co website and allocation participants invited to make submissions.

- There will be a defined consultation period which will vary from 2 to 4 weeks depending on the circumstances. A shorter period will likely apply where the changes are minor or affect only specifically identifiable parties. The consultation period may be closed off earlier if responses have been received from all allocation participants.
- Submissions will be sought by email and will be acknowledged by email.
- Any new or amended determination made by Gas Industry Co will be advised to all allocation participants, together with a brief explanatory note on differences between the consultation proposal and the final result.
- A revised edition of this notice will be posted on the Gas Industry Co website.

### **3. Determination – business day (rule 5)**

3.1 The definition of “business day” in rule 5 of the Reconciliation Rules provides that:

business day means any day of the week except—

(a) Saturday and Sunday; and

(b) Any day that Good Friday, Easter Monday, ANZAC Day, the Sovereign’s birthday, Labour Day, Christmas Day, Boxing Day, New Year’s Day, the day after New Year’s Day, and Waitangi Day are observed for statutory holiday purposes; and

(c) Any other day that the industry body has determined not to be a business day as published by the industry body;

3.2 Pursuant to rule 5, Gas Industry Co determines that the following days are not business days for the purposes of the Reconciliation Rules:

- Wellington Anniversary Day – Monday, 25 January 2010
- Auckland Anniversary Day – Monday, 1 February 2010

### **4. Determination – groups of gas gates (rule 5)**

4.1 The definition of gas gate in rule 5 of the Reconciliation Rules includes “(d) a group of gas gates, as determined and published by the industry body, treated as a single gas gate for the purposes of these rules”.

4.2 Pursuant to rule 5, Gas Industry Co determines that each of the following groups of gas gates are to be treated as single gas gates for the purposes of the Reconciliation Rules:

- Greater Auckland (GTA03610): comprising Bruce McClaren (BMC17901), Henderson (HEN74101), Papakura (PAP06610) and Westfield (WST03610);
- Greater Hamilton (GTH11301): comprising Hamilton Te Kowhai (HTK08301) and Hamilton Temple View (HTV11301);

- Greater Kihikihi (GTK19101): comprising Kihikihi (KIH19101) and Te Awamutu North (TAW31004);
- Greater Mt Maunganui (GMM08001): comprising Mt Maunganui (MMU08001) and Papamoa (PPA33201);
- Greater Tauranga (GTT07701): comprising Pyes Pa (PYE36601) and Tauranga (TRG07701);
- Greater Waitangirua (GTW06910): comprising Waitangirua (WTG06910) & Pauatahanui 1 (PAH23201); and
- Greater Waitoki (GTW33901): comprising Waitoki (WTK33901) and Waitoki B (WTK33902).

## **5. Determination – accuracy of consumption information for initial allocation (rule 37)**

- 5.1 In respect of consumption information at a gas gate for consumer installations in allocation groups 3 to 6, rule 37.2 of the Reconciliation Rules requires the consumption information provided by a retailer for initial allocation, when compared to that provided by that retailer for final allocation, to fall within the percentage of error determined and published by Gas Industry Co under rule 37.3. Rule 37.4 sets out the following matters to which Gas Industry Co must have regard in making its determination under rule 37.3:
- The primary aim of ensuring consumption information provided for initial allocation is as accurate as possible when compared with consumption information provided for final allocation;
  - The extent to which retailers are able to comply with the percentage of error for the accuracy of consumption information provided for initial allocation;
  - Any expected costs that would be reasonably incurred by retailers to achieve compliance with the percentage of error for the accuracy of consumption information provided for initial allocation; and
  - Any other matter it considers relevant to its determination.
- 5.2 Pursuant to rules 37.3 and 37.4 of the Reconciliation Rules, Gas Industry Co determines that the percentage of error for the accuracy of the consumption information provided for initial allocation to be applied to the consumption periods:
- (a) in the gas year commencing 1 October 2008 in accordance with rule 37.2 is **±15%**; and
  - (b) in the gas year commencing 1 October 2009 in accordance with rule 37.2 is **±12.5%**; and
  - (c) in the gas year commencing 1 October 2010 in accordance with rule 37.2 is **±10%**.