

Gas (Downstream Reconciliation) Rules 2008 (Exemption DR12-01-S: Tawa A Annual UFG) Notice 2012

In accordance with rule 19 of the Gas (Downstream Reconciliation) Rules 2008, Gas Industry Company Limited ("Gas Industry Co"), as the industry body appointed pursuant to s43ZL of the Gas Act 1992, gives the following notice:

Notice

1. Title and commencement

- (a) This notice is the Gas (Downstream Reconciliation) Rules 2008 (Exemption DR12-01-S: Tawa A Annual UFG) Notice 2012.
- (b) This notice comes into force on the date of this notice.

2. Interpretation

- (a) In this notice, Rules means the Gas (Downstream Reconciliation) Rules 2008 made by the Minister of Energy under sections 43F, 43Q and 43S of the Gas Act 1992 by notice published in the New Zealand Gazette, as may be amended from time to time.
- (b) Any term that is defined in the Rules and used, but not defined, in this notice has the same meaning as in the Rules.

3. Exemption

An exemption is granted to the allocation agent from rule 46.4.2 to enable the republication of the annual UFG factor for the Tawa A (TWA35610) gas gate to be applied to consumption periods in the gas year commencing 1 October 2012, subject to the following terms and conditions:

- (a) The allocation agent must, as soon as practicable, determine and publish a corrected annual UFG factor to be applied, in accordance with rule 45, at that gas gate for those consumption periods.
- (b) The corrected annual UFG factor must be determined in accordance with rule 46.3.1.
- (c) The consumption information used to determine the annual UFG factor, in accordance with rule 46.3.1, should be the best available consumption information for all retailers as at the date of recalculation.
- (d) The exemption will expire on 1 October 2013.

4. Reasons for granting the exemption

The reasons for granting the exemption are:

- (a) Due to an under-submission by a retailer, the annual UFG factor for Tawa A is higher than it should otherwise be, hence TOU allocation groups are being over-allocated UFG.
- (b) The Rules do not currently allow for an annual UFG factor to be amended after its publication on the first business day of July prior to the start of the gas year.
- (c) By recalculating the annual UFG factor, allocations for consumption periods in the gas year beginning 1 October 2012 will have a fairer apportionment of UFG between the TOU and non-TOU allocation groups.

DATED at Wellington this 2nd day of November 2012.

For and on behalf of Gas Industry Company Limited:

STEVE BIELBY, Chief Executive.