

Gas (Downstream Reconciliation) Rules 2008 (Exemption DR11-01-S: Revision of Injection Quantities) Notice 2011

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 DR11-01-S: Revision of Injection Quantities) Notice 2011.
- (b) This notice comes into force on 22 December 2011.

2. Interpretation

In this notice:

- (a) Functional Specification means the *Allocation System Functional Specification*, version 2.1, dated 31st May 2009, as amended from time to time, including new versions.
- (b) OATIS means the Open Access Transmission Information System.
- (c) Rules means the Gas (Downstream Reconciliation) Rules 2008, as may be amended from time to time.
- (d) 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 transmissions system owners in respect of rule 41 relating to the provision of daily injection information, in situations where:

- (a) gas gate metering data fails the transmission system owner's initial validation process and further enquiry reveals there is no demand-side reason for the failure; and
- (b) a correction to the metering data is required as part of the transmission system owner's validation process in order to accurately reflect actual flow; and
- (c) the transmission system owner is able to create corrected data (which may in some cases include estimated data) to submit to the allocation agent, by the required deadline, that is likely to be closer to actual injection quantities than an estimation performed by the allocation agent in accordance with the estimation process set out in the Functional Specification.

The exemption is subject to the following terms and conditions:

- (d) Any correction applied by a transmission system owner must be created in accordance with Part 3 of the *Metering Requirements for Receipt and Delivery Points* ("Metering Requirements") dated 29 November 2007.
- (e) Any amendment to the Metering Requirements shall be notified to allocation participants, the allocation agent and Gas Industry Co.
- (f) For the avoidance of doubt, any corrected data supplied to the allocation agent pursuant to this exemption shall be deemed actual daily energy quantities and as such:
 - (i) the allocation agent shall not be required to estimate actual daily energy quantities pursuant to rule 43.1.2; and
 - (ii) the provision of corrected data shall not, in and of itself, constitute a breach of rule 41 by the transmission system owner.
- (d) The exemption will expire on 30 September 2014.

4. Reasons for granting the exemption

The reasons for granting the exemption are:

- (a) The Rules do not provide for transmission system owners to estimate data. Where actual daily energy quantities are not provided, the Allocation agent is required to estimate. Given that Transmission system owner's validation and correction processes will, in most circumstances, provide higher quality data than estimates made by the Allocation agent, the current arrangements will produce suboptimal outcomes in such cases.
- (b) In addition, where Vector becomes aware of data quality issues and posts notices of corrections on OATIS during a month, shippers use those corrected values as input to their self-balancing strategies. Provided the same values are used in the allocation process (by way of Vector submitting those values to the Allocation agent) then the data is consistent from a shipper perspective. By contrast, if the Allocation agent is required to estimate the missing data then shippers may be balancing to the wrong target as the Allocation agent's estimation is unlikely to be the same as the data on OATIS.

DATED at Wellington this 28th day of September 2012.

For and on behalf of Gas Industry Company Limited:

STEVE BIELBY, Chief Executive.