

Gas (Downstream Reconciliation) Rules 2008 (Exemption DR09-13-U: Direct Connect Gas Gate) Notice 2010

Pursuant to rule 20 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 DR09-13-U: Direct Connect Gas Gate) Notice 2010.
- (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 from the application of rules 29, 31, 32, 33, 39, 40, 48, 49, 50, 51, 52, 53, 78 and 79 is granted in respect of the Kupe (KUP37503) gas gate subject to the following terms and conditions:

- (a) To avoid doubt, as no quantities of gas will be allocated to a retailer by the allocation agent in an initial allocation under rule 48 in respect of the Kupe (KUP37503) gas gate, ongoing fees payable under rule 16 of the Rules do not apply to the Kupe (KUP37503) gas gate.
- (b) The exemption will expire on 30 September 2010.
- (c) The *Gas (Downstream Reconciliation) Rules 2008 (Urgent Exemption DR09-13-U: Direct Connect Gas Gate) Notice 2009* is revoked.

4. Reasons for granting the exemption

The reasons for granting the exemption are:

- (a) Genesis Energy has applied to Gas Industry Co to exempt the new Kupe (KUP37503) gas gate from the application of the Rules, consistent with the approach adopted for existing direct connect gas gates under the *Gas (Downstream Reconciliation) Rules 2008 (Exemption: Direct Connect Gas Gates) Notice 2008*.
- (b) On the information provided to Gas Industry Co, the Kupe (KUP37503) gas gate supplies a consumer directly from the transmission system and therefore is considered to be a direct connect gas gate in the context of the *Gas (Downstream Reconciliation) Rules 2008 (Exemption: Direct Connect Gas Gates) Notice 2008*.
- (c) The reasons for granting the *Gas (Downstream Reconciliation) Rules 2008 (Exemption: Direct Connect Gas Gates) Notice 2008* remain equally valid in respect of the Kupe (KUP37503) gas gate.
- (d) Given this notice addresses the matters that the *Gas (Downstream Reconciliation) Rules 2008 (Urgent Exemption DR09-13-U: Direct Connect Gas Gate) Notice 2009* was intended to address on an interim basis, that notice has been superseded and is revoked.

DATED at Wellington this 2nd day of February 2010.

For and on behalf of Gas Industry Company Limited:

CHRISTINE SOUTHEY, Chief Executive.