

Gas (Downstream Reconciliation) Rules 2008 (Exemption DR10-12-S: Greater Hamilton Annual UFG) Notice 2010

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 DR10-12-S: Greater Hamilton Annual UFG) 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 is granted to the allocation agent from the application of rule 46.1 in respect of allocations performed at the Greater Hamilton (GTH11301) gas gate, for consumption periods in the gas year commencing 1 October 2010, 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:
 - (i) For all retailers except OnGas, that used in the previous annual UFG factor determination for 2010/11
 - (ii) For OnGas, the best available consumption information as at the date of recalculation.
- (d) The exemption will expire on 31 January 2011.

4. Reasons for granting the exemption

The reasons for granting the exemption are:

- (a) Due to the significant under-submission by OnGas, the annual UFG factor for Greater Hamilton 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 of July prior to the start of the gas year.
- (c) By recalculating the annual UFG factor, future allocations for consumption periods in the 2010/11 gas year will have a fairer apportionment of UFG between the TOU and non-TOU allocation groups.

DATED at Wellington this 23rd day of December 2010.

For and on behalf of Gas Industry Company Limited:

IAN WILSON, Acting Chief Executive.