

Gas (Downstream Reconciliation) Rules 2008 (Exemption DR08-02-S/DR08-04-S: Global 1-Month UFG Methodology) Notice 2009

Pursuant to rule 19 and 21 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 DR08-02-S/DR08-04-S: Global 1-Month UFG Methodology) Notice 2009.
- (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. Standard Exemption

The Pahiatua PHT04901 and Reporoa RPR30801 gas gates are exempted from the application of rules 45.2.3, 46.2.1 and 46.3.2, subject to the following terms and conditions:

- (a) Retailers at these gas gates shall submit their allocation group 1 and 2 consumption data under rules 31, 32 and 33 as allocation group 3 data and this shall be done by submitting the information in accordance with the GAS050 file format determined by Gas Industry Co except that “Allocation Group” shall refer to “3” (rather than 1 or 2) and “Profile code” shall refer to STOU rather than XTOU.
- (b) The allocation agent shall be exempted from applying the process in rule 55 to these gas gates for the establishment of an STOU static deemed profile and instead the allocation agent shall, upon request from Gas Industry Co, create an STOU profile code to apply to these gas gates. The profile code shall be owned by Gas Industry Co and shall be registered by the allocation agent, under rule 56, against the large TOU ICPs at the gas gates in question. All retailers trading at these gas gates shall have permission to use the profile code.

- (c) TOU consumer installations at these gas gates will continue to comply with all other allocation group 1 or 2 installation requirements.
- (d) The exemption will expire on 30 September 2010.
- (e) The *Gas (Downstream Reconciliation) Rules 2008 (Exemption DR08-02-S/DR08-04-S: Global 1-Month UFG Methodology) Notice 2008* is revoked.

4. Reasons for granting the standard exemption

The reasons for granting the exemption are:

- (a) This exemption varies the terms and conditions of the *Gas (Downstream Reconciliation) Rules 2008 (Exemption DR08-02-S/DR08-04-S: Global 1-Month UFG Methodology) Notice 2008*, granted on 17 September 2008, by:
 - (i) continuing the application of the Global 1-Month UFG Methodology to the Pahiatua PHT04901 and Reporoa RPR30801 gas gates; and
 - (ii) discontinuing the application of the Global 1-Month UFG Methodology to the following gas gates: Oroua Downs ORD24701, Kairanga KRG24101, Edgumbe DF EGC30701, and Ngaruawahia NGW14501.
- (b) Given the nature of the load at the Pahiatua PHT04901 and Reporoa RPR30801 gas gates, the TOU consumer installations at these gas gates are very likely to play a role in any significant variability in UFG and the previous commercial arrangements already accommodated a variable allocation of monthly UFG. The Global 1-Month UFG Methodology is expected to continue to provide a fairer and more appropriate allocation methodology at these gas gates than the methodology set out in the Rules.
- (c) The nature of the loads at the Oroua Downs ORD24701, Kairanga KRG24101, Edgumbe DF EGC3070, and Ngaruawahia NGW14501 gas gates are no longer consistent with the basis for granting the exemption set out in *Gas (Downstream Reconciliation) Rules 2008 (Exemption DR08-02-S /DR08-04-S: Global 1-Month UFG Methodology) Notice 2008*. Given there is either no TOU metered consumption or no non-TOU metered consumption, at these gas gates applying the Global 1-Month UFG Methodology will not provide a fairer allocation methodology at these gas gates than the methodology set out in the Rules.

DATED at Wellington this 24th day of June 2009.

For and on behalf of Gas Industry Company Limited:

CHRISTINE SOUTHEY, Chief Executive.