

Gas (Downstream Reconciliation) Rules 2008 (Exemption DR09-11-S: Unmetered Gas Gates) Notice (No 2) 2009

Pursuant to rule 19 of the Gas (Downstream Reconciliation) Rules 2008 (the Rules), 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 DR09-11-S: Unmetered Gas Gates) Notice (No 2) 2009.
- (b) This notice comes into force on the day this notice is published on Gas Industry Co's website.

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. Variation to Standard Exemption

An exemption was granted to transmission system owners in respect of their obligations under rules 41 and 42 to provide daily energy quantities for the unmetered gas gates identified in this notice, subject to the following terms and conditions:

- (a) The exemption applies to the following gas gates on the transmission system that do not have a meter as at the date of this notice:

Kuku KUK22401	Pungarehu 1 PGU13101
Matapu MTP20601	Te Horo THO22701
Oakleigh OAK18601	Waverley WVY23601
Okoroire Springs OKS32801	Wellsford WEL18301
Papakura No.3 PAP06603	

- (b) The exemption has been varied in respect of two gas gates and shall now expire on:
 - (i) 31 May 2010 for the Waverley WVY23601 unmetered gas gate; and

- (ii) 30 September 2010 for Papakura No 3 PAP06603 and all other unmetered gas gates.
- (c) The requirement to provide actual daily energy quantities under rule 41 will be met by the allocation agent using the consumption information provided by retailers under rules 31, 32, and 33 to estimate the injection quantities for those gas gates.

4. Reasons for granting a variation to a standard exemption

The reasons for granting the variation to the exemption are that:

- (a) At the Papakura No 3 PAP06603 and Waverley WVY23601 gas gates, the injected quantities are materially higher than the other unmetered gas gates. Given the higher volumes and multiple retailers at these unmetered gas gates, there are greater risks to the accuracy or fairness of allocations without metered injection quantities. A short extension has been permitted to Waverley to allow for the installation of the meter and a longer exemption applies for Papakura so that this gate can be considered with a general policy which is expected to deal with all the unmetered gas gates remaining.

The original reasons for granting the exemption for all gas gates remain relevant:

- (b) Gas injection quantities at unmetered gas gates are unable to be measured. For these gas gates, Vector Gas Limited has applied to Gas Industry Co for an exemption in respect of the obligations to provide injection quantities as set out in rules 41 and 42.
- (c) Given the significant costs to install meters at the remaining seven gas gates, it is considered reasonable that an exemption be granted on similar terms to the previous *Gas (Downstream Reconciliation) Rules 2008 (Exemption DR08-14-T: Unmetered Gas Gates) Notice 2008*. The alternative arrangement provides for the allocation agent to use consumption information provided by retailers under the Rules to estimate the injection quantities at the affected gas gates.

DATED at Wellington this 30th day of November 2009.

For and on behalf of Gas Industry Company Limited:

CHRISTINE SOUTHEY, Chief Executive.