

Gas (Downstream Reconciliation) Rules 2008 (Exemption DR08-19-T: Allocation agent annual UFG factor) Notice 2008

Pursuant to rule 81 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 DR08-19-T: Allocation agent annual UFG factor) Notice 2008.
- (b) This notice comes into force on the day after 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. Transitional Exemption

The allocation agent is exempted from the requirement under 79.4.1 to determine and publish the annual UFG factors, which will apply for gas consumed in the gas year beginning on 1 October 2008, as soon as practicable after rule 79.4.1 came into force and no later than 10 business days before the go-live date, subject to following terms and conditions:

- (a) The allocation agent must determine and publish the annual UFG factors required by rule 79.4.1 as soon as practicable after 16 September 2008 and no later than 30 September 2008; and
- (b) In respect of the gas gates for which it has been provided complete injection quantities and consumption information for the 12 months ending 30 September 2007, the allocation agent must give notice to allocation participants on 16 September 2008 of the draft annual UFG factors it has been able to calculate on the basis of that information. To avoid doubt, these draft annual UFG factors are not annual UFG factors determined and published under the rules and may be subject to change prior to the allocation agent complying with its obligation under clause (a) above.

4. Reasons for granting the transitional exemption

The reasons for granting the transitional exemption are:

- (a) In order to determine and publish the annual UFG factors for the gas year commencing 1 October 2008, in accordance with rule 79.2.1 the allocation agent requires the historical injection quantities and consumption information for all gas gates during the 12 months ending 30 September 2007.
- (b) Due to delays in the appointment of the allocation agent, the notice requesting that information from allocation participants in accordance with rule 78.1 was not able to be issued by the allocation agent until Thursday, 4 September 2008.
- (c) Given allocation participants have until Thursday, 18 September 2008 to comply with the notice, the allocation agent is unable to determine and publish the annual UFG factors in accordance with the time frame required by rule 79.4.1 (being no later than Tuesday, 16 September 2008).

DATED at Wellington this 9th day of September 2008.

For and on behalf of Gas Industry Company Limited:

RT HON JAMES BOLGER, O.N.Z, Chair.