

Gas (Downstream Reconciliation) Rules 2008 (Exemption DR08-24-U: Global 1-Month UFG Methodology) Notice 2008

Pursuant to 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 DR08-24-U: Global 1-Month UFG Methodology) Notice 2008.
- (b) This notice comes into force on the day after the date 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. Standard Exemption

The KIWitahi 2 (KIW34202) gas gate is 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 this gas gate 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 this gas gate for the establishment of a STOU static deemed profile and instead the allocation agent shall, upon request from Gas Industry Co, create an STOU profile code to apply to this gas gate. The profile code shall be owned by Gas Industry Co and shall be registered by the allocation agent, under rule 56, against any allocation group 1 or 2 consumer installations at the gas gate in question. All retailers trading at this gas gate shall have permission to use the profile code. The profile code will deem that "static deemed profile" to be the profile on the "monthly UFG factor" calculated in accordance with rule 46.3.2.

- (c) TOU consumer installations at this gas gate will continue to comply with all other allocation group 1 or 2 installation requirements.
- (d) This exemption shall expire on 30 September 2010.

4. Reasons for granting the standard exemption

The reasons for granting the exemption are that:

- 3.1 Given that there is only one allocation group 2 consumer installation and one allocation group 4 consumer installation at the gas gate, the allocation group 2 consumer installation at this gas gate is very likely to play a role in any significant variability in UFG. Accordingly, it is considered that the proposed Global 1-Month UFG Methodology would be a fairer and more appropriate allocation methodology at this gas gate than the methodology detailed in the Rules.
- 3.2 If an exemption is not granted the standard allocation process in the Rules will not work satisfactorily at the gas gate in question.
- 3.3 The exemption granted achieves the desired outcome of the Global 1-Month UFG Methodology without incurring significant system implementation costs.

DATED at Wellington this 14th day of October 2008.

For and on behalf of Gas Industry Company Limited:

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