

Gas (Downstream Reconciliation) Rules 2008 (Transitional Exemption DR08-27-U: Bypass Gas Gates) 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 (Transitional Exemption DR08-27-U: Bypass Gas Gates) Notice 2008.
- (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.
- (c) Bypass gas gates means the gas gates that supply consumers via a non-open access distribution system and are either set out below or otherwise determined and published by Gas Industry Co to be bypass gas gates for the purposes of this notice.

FLB15601 Flat Bush (Nova)
HST05203 Hastings (Nova)
HWA20802 Hawera (Nova)
HUN15302 Hunua (Nova)
TWB24810 Tawa B (Nova)

3. Transitional Exemption

A transitional exemption from the application of rules 31, 32, 33, 39, 48, 49, 50, 51, 52, 53, 78 and 79 is granted in respect of bypass gas gates subject to the following terms and conditions:

- (a) To avoid doubt, as no quantities of gas will be allocated to a retailer by the allocation agent in an initial allocation under rule 48 in respect of bypass gas gates, ongoing fees payable under rule 16 of the Rules do not apply to bypass gas gates.
- (b) This exemption expires on 30 June 2009.

- (c) Any retailer and distributor supplying gas through the bypass gas gates must provide any information and assistance requested by Gas Industry Co in relation to the operation of the Rules or this transitional exemption, so as to enable Gas Industry Co to prepare a report assessing the costs and benefits of this transitional exemption, the application of the Rules in general to bypass gas gates and setting out a recommended course of action on the expiry of the transitional exemption.

4. Reasons for granting the transitional exemption

The reasons for granting the transitional exemption are:

- (a) There is currently incomplete information on which to assess in detail the costs and benefits in applying the provision of consumption information and allocation requirements in the Rules to bypass gas gates.
- (b) The exemption is being granted on a transitional basis to allow Gas Industry Co time to determine, and report on, whether it is appropriate that the provision of consumption information and allocation requirements in the Rules apply to bypass gas gates.
- (c) Consistent with achieving the purpose of the Rules, an alternative arrangement has been provided to ensure consumption information, and other related bypass gas gate and distribution network information, will be available to Gas Industry Co.

DATED at Wellington this 6th day of November 2008.

For and on behalf of Gas Industry Company Limited:

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