

# Register of Proposed Changes to the Gas (Downstream Reconciliation) Rules 2008

**Last updated:** 14 April 2009.

## Notes:

1. Initial status on the register will be one of the following:
  - *Category 1*: Accepted for individual initiation and when, giving reasons.
  - *Category 2*: Accepted for initiation in the next package, giving reasons.
  - *Category 3*: Deferred for next major policy review, giving reasons.
  - *Category 4*: Declined giving reasons.
2. The initial population of the register has been based generally on exemptions granted by Gas Industry Co. All initial entries dated 12 March 2009 although rule changes suggested by some allocation participants prior to that date.

| Proposal date | Initiated by  | Brief description   | Reason for proposal   | Initial status on register   | Current status | Rule change outcome |
|---------------|---|---|---|--|----------------|---------------------|
| 12 Mar 09     | Genesis, Mighty River Power, Contact Energy, Vector, Nova Gas and OnGas | Rule amendment to exclude direct connect gas gates from the application of the Rules or certain aspects of the Rules - including providing consumption information and being subject to the allocation processes under the Rules. | Allocation participants suggest rule amendment because there is no benefit in including direct connect gas gates in the process for downstream reconciliation –as there is generally only one retailer and a single consumer. Two exemptions in effect currently exempt direct connect gas gates from certain aspects of the Rules. | <i>Category 3</i> : Deferred for next major policy review. Exemptions for direct connect gas gates in effect until September 2010. Amendment represents a significant policy change. | N/A            | N/A                 |
| 12 Mar 09     | Gas Industry Co   | Amendment to rule 45 to ensure all gas is allocated where there are only allocation group 1 and 2   | Change will ensure all gas is allocated at gas gates where no allocation group 4 or 6   | <i>Category 2</i> : Accepted for initiation in the next package of rule changes put forward,   | N/A            | N/A                 |

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|---------------|------------------|--|---|---|----------------|---------------------|
|               |                  | (TOU) and allocation group 3 and 5 consumer installations at a gas gate.   | consumption occurs – currently occurs under a transitional exemption.   | currently expected to be considered from April 2009.  |                |                     |
| 12 Mar 09     | Gas Industry Co  | Amendment to rule 25 so that Gas Industry Co is able to give notice of file formats for additional categories of information.                                      | Change will enable file formats to be specified for reports generated by the allocation agent under the Rules, and for information allocation participants are required to submit to Gas Industry Co. Will include consideration of general provision enabling the allocation agent to request any information it reasonably requires from allocation participants.   | <i>Category 2:</i> Accepted for initiation in the next package of rule changes put forward, currently expected to be considered from April 2009.                              | N/A            | N/A                 |
| 9 April 2009  | Contact, Genesis | Potential rule amendments to consider codifying the application of the global 1-month UFG methodology to all gas gates or to gas gates that meet certain criteria. | Change will enable the alternative global 1-month methodology to be automatically applied at all gas gates or gas gates where specified criteria are met. This allocation methodology is considered particularly equitable at gas gates where TOU gas quantities make up a high proportion of the total gas allocated at the gate. There are two exemptions currently in place which apply this methodology to certain gas gates. | <i>Category 3:</i> Deferred for next major policy review. Exemptions for 1 Month Global are in effect until September 2010. Amendment represents a significant policy change. | NA             | NA                  |
| DD April 2009 | Gas Industry Co  | Amendment to rule 45 to ensure that where there are residual injection quantities left over (ie where no consumption   | Amendment would be consistent with the arrangement set out in exemption - per Gas (Downstream Reconciliation)   | <i>Category 2:</i> Accepted for initiation in the next package of rule changes put forward, currently expected to be  | NA             | NA                  |

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|               |                 | information has been submitted) then that gas gets allocated proportionally to the remaining retailers trading at that gate. If no retailers trade at that gas gate, then the gas gate quantities do not get allocated and the relevant TSO is responsible for the UFG | Rules 2008 (Transitional Exemption DR09-03-T: residual injection quantity allocation) Notice 2009   | considered from April 2009  |                |                     |
| DD April 2009 | Gas Industry Co | Potential amendment to rule 39 to extend deadline for provision of gas gate notices (ie trading notifications) to the allocation agent   | Exemption in force extends the rule 39 deadline by 3 business days (or other potential extension).  | <i>Category 2:</i> Accepted for initiation in the next package of rule changes put forward, currently expected to be considered from April 2009 | NA             | NA                  |
| DD April 2009 | Gas Industry Co | Amendment to the rule 40 deadlines for: <ul style="list-style-type: none"> <li>• historic estimates to match up with the initial, interim and final allocation deadlines</li> <li>• meter reading frequency to match monthly rather than annual deadlines</li> </ul>   | The historic estimate volumes are currently provided in allocation submissions via the file formats ie GAS040, GAS050 and GAS060 – rather than in the later deadline specified in rule 40.1.<br>The meter reading frequency information is currently provided monthly via file format GAS080 rather than annually under rule 40.2 | <i>Category 2:</i> Accepted for initiation in the next package of rule changes put forward, currently expected to be considered from April 2009 | NA             | NA                  |
| DD April 2009 | Gas Industry Co | Amendment to rule 44 to clarify that errors in injection information must be notified to the allocation agent and that the allocation agent can do amended allocations as a result ie with the 1730 hours deadline   | So that express provision for dealing with injection errors is in the Rules to ensure they are dealt with on the same basis as consumption errors.  | <i>Category 2:</i> Accepted for initiation in the next package of rule changes put forward, currently expected to be considered from April 2009 | NA             | NA                  |

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| DD April 2009 | Gas Industry Co                             | <p>Potential rule amendments to rules 31-33 to:</p> <ul style="list-style-type: none"> <li>• amend 0800 hours deadline to 1200 hours for initial allocation</li> <li>• further reinforce that the submission of consumption information must occur for each allocation – and that reliance on previous submissions is not permissible.</li> </ul> | <p>An exemption is in effect which extends the deadlines for initial allocation submissions and it should be considered whether the Rules should be amended to reflect exemption.</p> <p>Amendments would also remove any potential ambiguity regarding submission obligations for each allocation.</p>                                  | <i>Category 2:</i> Accepted for initiation in the next package of rule changes put forward, currently expected to be considered from April 2009 | NA             | NA                  |
| DD April 2009 | Gas Industry Co                             | <p>Potential rule amendments to rule 41 to:</p> <ul style="list-style-type: none"> <li>• amend 0800 hours deadline to 1200 hours for initial allocation.</li> <li>• Provide for TSOs to submit corrected injection information for each allocation</li> </ul>   | <p>An exemption is in effect which extends the deadlines for initial allocation injection submissions and it should be considered whether the Rules should be amended to reflect exemption.</p> <p>Like consumption data, improved injection data should be provided for each allocation – this currently occurs on an ad hoc basis.</p> | <i>Category 2:</i> Accepted for initiation in the next package of rule changes put forward, currently expected to be considered from April 2009 | NA             | NA                  |
| DD April 2009 | Contact Energy, Genesis, Mighty River Power | Amendment to rule 52 to provide greater clarity around how it is intended to operate in practice  | Significant work was required on the as-billed file format and the rule 52 guideline to ensure this rule operated effectively in practice. Amendments should simplify rule 52's application and operation.   | <i>Category 2:</i> Accepted for initiation in the next package of rule changes put forward, currently expected to be considered from April 2009 |                |                     |
| DD April 2009 | OnGas                                       | Potential rule amendments to rule 30.3 to allow the provision of  | Some retailers consider it is too onerous for the rules to treat the   | <i>Category 3:</i> Deferred for next major policy review. Exemptions  | NA             | NA                  |

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|               |                 | estimated “actual daily energy quantities” for allocation group 1 and 2 in all situations or limited to situations to metering breakdown/error – without such actually constituting an alleged breach of the Rules.                                | submission of estimated TOU data as an alleged breach of the Rules. Meters often breakdown, or are subject to error, through no fault of the retailer and the Rules should not create a compliance issue out of such situations.  | for 1 Month Global are in effect until September 2010. Amendment represents a significant policy change.   |                |                     |
| DD April 2009 | Gas Industry Co | Provide additional arrangements in rule 62 to address what happens to a profile when a consumer installation switches retailers and show the profile is both ICP and retailer specific.  | To provide clarity on what happens to a profile when a consumer installation switches retailers   | <i>Category 2:</i> Accepted for initiation in the next package of rule changes put forward, currently expected to be considered from April 2009. | NA             | NA                  |
| DD April 2009 | Gas Industry Co | Deletion of rules 82-84  | These rules are no longer applicable given the registry is operational.   | <i>Category 2:</i> Accepted for initiation in the next package of rule changes put forward, currently expected to be considered from April 2009. | NA             | NA                  |
| DD April 2009 | Gas Industry Co | Amending the form of the ongoing fees provisions (rules 15-18) to be more consistent with the equivalent provisions in the Gas Governance (Critical Contingency Management) Regulations 2008 and the Gas Governance (Compliance) Regulations 2008. | To create greater consistency between the ongoing fee provisions in the different gas governance regulations and rules – including the deletion of implantation provisions now no longer applicable. Note these potential rule changes will not involve the amendment of the allocated volume basis of the apportionment of ongoing fees. | <i>Category 2:</i> Accepted for initiation in the next package of rule changes put forward, currently expected to be considered from April 2009. | NA             | NA                  |
| DD April 2009 | Gas Industry Co | Amending the notice provisions (rules 23 and 24) to be more  | To create greater consistency between the notice provisions in  | <i>Category 2:</i> Accepted for initiation in the next package of  | NA             | NA                  |

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|               |                 | consistent with the equivalent provisions in the Gas Governance (Critical Contingency Management) Regulations 2008 and the Gas Governance (Compliance) Regulations 2008.                           | the different gas governance regulations and rules.   | rule changes put forward, currently expected to be considered from April 2009.  |                |                     |
| DD April 2009 | Gas Industry Co | Potential amendment to rule 45 to provide a zero-floor for gas gate residual profile values, and the associated scaling of daily allocation quantities to match injection quantities. <sup>1</sup> | Depending whether an exemption is granted to address the issue of negative gas gate residual profile values, it may be appropriate to amend rule 45 to be consistent with the terms of the exemption. | <i>Potential Category 2:</i> Considered for initiation in the next package of rule changes put forward, currently expected to be considered from April 2009 | NA             | NA                  |
| DD April 2009 | Gas Industry Co | Potential amendment to rule 16 regarding the basis for apportionment of ongoing fees ie moving from an allocated volume basis to an ICP basis (or combination of both) <sup>2</sup>                | Depending whether an exemption is granted re application DR09-06-T, it may be appropriate to amend rule 45 to be consistent with the terms of the exemption.  | <i>Potential Category 2:</i> Considered for initiation in the next package of rule changes put forward, currently expected to be considered from April 2009 | NA             | NA                  |

<sup>1</sup> Inclusion of this potential rule change is still dependent on the assessment of exemption application DR09-08-T which is currently out for consideration.

<sup>2</sup> Inclusion of this potential rule change is still dependent on the assessment of exemption application DR09-06-T which is currently out for consideration.