

VTC Change Request

11 November 2008

1. Change Request – Daily Metering Data

This Change Request provides for the posting of SCADA and telemetry Metering data on OATIS for Receipt Points and Delivery Points, other than Welded Points, available under the Vector Transmission Code (Code) on a daily basis.

Pursuant to section 25 of the Code, it is proposed that the Code be amended as set out in section 1.1 of this Change Request.

1.1 Change Request

Amend “Schedule Four: Information on OATIS, Table 5: Energy Quantities for Receipt Points and Delivery Points other than Welded Points” as follows:

Delete “Next Business Day” under the heading “Data Posted to OATIS” and replace with “Next Day”. A restated version of Table 5 amended in accordance with this Change Request is attached to this Change Request.

1.2 Effective Date of Change Request

12 December 2008

2. Reasons for the amendment

The disclosure of Metering data to Shippers is essential to enable Shippers to manage their imbalance positions under section 8 of the Code.

With the impending change to pipeline balancing from a monthly process to a daily process it is of greatly increased importance that Shippers have access to Metering data on every day rather than just on Business Days.

Section 3.3 and Schedule Four of the Code only requires Vector to provide daily SCADA and telemetry Metering data on the next Business Day. This means Metering data, required to manage daily balancing is not available for Friday and Saturday until the following Monday, if the Monday is a Business Day, and later if the Monday is not a Business Day. Metering data will also not be available on statutory holidays. Under the current Code these provisions mean that there will be periods of several days where necessary Metering data is not available.

Lack of daily Metering data will be a particular concern during the Christmas/New Year holiday period when there are several runs of linked statutory holidays and when, past experience suggests, there is high risk of pipeline over-pressurisation. It is unreasonable

for shippers to have exposure to daily balancing risks when they do not have the information necessary to manage that risk.

3. Intended impact and effect of amendment

The intended impact and effect of these changes is to ensure that Vector provides timely information to Shippers, which those Shippers require to make effective and efficient decisions that enable the proper balancing of both the Maui pipeline and the Vector transmission system.

The implementation of this Change Request will meet the following Government Policy Statement objectives:

- ***To ensure that gas is delivered to existing and new customers in a safe, efficient and reliable manner.*** The result of gas scheduling without the best available daily data will only lead to over or under procurement which in turn is not efficient when there are associated costs for such errors.
- ***Barriers to competition in the gas industry are minimised.*** Lack of daily gas delivery information is likely to create risk of cash out of imbalances. To address that risk Shippers are likely to have to develop systems to estimate gas delivery information. But also and inevitably Shippers will face increased cash out risk. Those cost and risks may be sufficient to deter new entrants, particularly smaller new entrants, from participating in gas markets.
- ***Delivered gas cost and prices are subject to sustained downward pressure.*** Restricting the provision of gas delivery information to business days will result in unnecessary balancing costs. Those costs will be passed on leading to unnecessary increases in the cost of delivered gas.

In summary failure to implement this Change Request will mean that Shippers are likely to incur higher costs relating to gas transportation as a result of incurring balancing costs through lack of information. This Change Request is therefore consistent with the Government's Gas Policy Statements.

Appendix 1.

SCHEDULE FOUR: INFORMATION ON OATIS

Table 5: Energy Quantities for Receipt Points and Delivery Points other than Welded Points

Metering Data Collection Method	Data Posted to OATIS	DDRs Available	HDRs Available
SCADA	Next Business Day	Unvalidated by 10:00, Validated by 14:00 on the following Business Day	
Telemetry			
Manual	After Month-end	Validated by 12:00 on 4 th Business Day of the following Month	