

Gas (Downstream Reconciliation) Rules 2008 (Exemption DR10-05: Injection Information) Notice 2010

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 DR10-05: Injection Information) Notice 2010.
- (b) This notice comes into force on 1 October 2010.

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) SCADA means the 'System Control and Data Acquisition' system used by Vector Gas Limited to monitor gas gate metering and other equipment, retrieve data and control equipment such as compressors.

3. Exemption

An exemption is granted in respect of rule 42 relating to the daily publication of estimated day-end volume injection quantities subject to the following terms and conditions:

- (a) For gas gates without telemetry metering, transmission system owners are exempt from the requirement to comply with rule 42 on all calendar days.
- (b) For gas gates with telemetry metering but without live SCADA data, transmission system owners are exempt from the requirement to comply with rule 42 on days that are not business days.
- (c) To avoid doubt, for gas gates with telemetry metering and live SCADA data, transmission system owners must comply with rule 42 on all calendar days.
- (d) The exemption will expire on 30 September 2012.

- (e) The exemption replaces the *Gas (Downstream Reconciliation) Rules 2008 (Exemption DR09-09-S: Injection Information) Notice 2009* which expires on 30 September 2010.

4. Reasons for granting the exemption

The reasons for granting the exemption are:

- (a) An exemption is appropriate given transmission system owners are unable to comply, without incurring significant costs, with the requirements of the rule:
- (i) for gas gates without telemetry; and
 - (ii) on non-business days for gas gates with telemetry but without live SCADA data.
- (b) While the aim to establish more transparency of the full costs of balancing and reconciling gas remains, this information is not required for the month-end allocation and reconciliation processes set out in the Rules and requiring full compliance with rule 42 is likely to lead to increased upstream costs for allocation participants.
- (c) The exemption allows a continuation of the status quo whilst Gas Industry Co reviews the Rules. This review will include consideration of the requirement to provide injection information under rule 42.

DATED at Wellington this 1st day of October 2010.

For and on behalf of Gas Industry Company Limited:

IAN WILSON, Acting Chief Executive.