

Gas (Downstream Reconciliation) Rules 2008 (Exemption DR10-07: Unmetered Gas Gates) Notice 2010

Pursuant to rule 19 of the Gas (Downstream Reconciliation) Rules 2008 (the Rules), 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 DR10-07: Unmetered Gas Gates) 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.

3. Exemption

An exemption is granted to transmission system owners in respect of their obligations under rules 41 and 42 to provide daily energy quantities for the unmetered gas gates identified in this notice, subject to the following terms and conditions:

- (a) The exemption applies to the following gas gates on the transmission system that do not have a meter as at the date of this notice:

Kuku KUK22401	Pungarehu 1 PGU13101
Matapu MTP20601	Te Horo THO22701
Oakleigh OAK18601	Wellsford WEL18301
Okoroire Springs OKS32801	

- (b) The requirement to provide actual daily energy quantities under rule 41 will be met by the allocation agent using the consumption information provided by retailers under rules 31, 32, and 33 to estimate the injection quantities for those gas gates.
- (c) The exemption shall expire on 30 September 2012.

- (d) The exemption replaces the *Gas (Downstream Reconciliation) Rules 2008 (Exemption DR09-11-S: Unmetered Gas Gates) Notice (No 3) 2009*, which expires on 30 September 2010

4. Reasons for granting the exemption

The reasons for granting the exemption are that:

- (a) Gas injection quantities at unmetered gas gates are unable to be measured. For these gas gates, Vector Gas Limited has applied to Gas Industry Co for an exemption in respect of the obligations to provide injection quantities as set out in rules 41 and 42.
- (b) Given the significant costs to install meters at these gas gates, it is considered reasonable that an exemption be granted to enable more accurate injection quantities to be used in allocations at these gas gates. The alternative arrangement provides for the allocation agent to use consumption information provided by retailers under the Rules to estimate the injection quantities at the affected gas gates.
- (c) The exemption allows a continuation of the status quo whilst Gas Industry Co reviews the Rules. This review will include consideration of how unmetered gas gates should be treated under the Rules.

DATED at Wellington this 1st day of October 2010.

For and on behalf of Gas Industry Company Limited:

IAN WILSON, Acting Chief Executive.