

Update

Diary dates

5 February – submissions on proposed FY2010 levy close

10 February – submissions on draft Critical Contingency Management Plans from Maui Development Ltd and Vector Gas Transmission close

11 February - submissions on Revised Determinations under the Gas (Switching Arrangements) Rules 2008 close

11 February – cross-submissions on VTC appeal (daily metering data) close

12 February – meeting of the Gas Registry and Reconciliation Establishment Committee at Gas Industry Co's offices

27 February – submissions on Transmission Pipeline Balancing options paper close

2 March – go-live of Gas (Switching Arrangements) Rules 2008

Levy consultation

At its final meeting of the year on 18 December 2008, the Gas Industry Company Board approved the January 2009 release of the FY2010 Levy Consultation Paper. This sets the context for the proposed FY2010 levy regulations. It includes a review of the previous year's levy development process and explains the development of the FY2010 levy.

The paper proposes the 2010 levy be in three parts, consisting of:

- A retail levy of \$7.91 per ICP per annum
- A wholesale levy of 1.77 cents per GJ per annum
- A one-off establishment levy of \$1,052,500 to recover the establishment costs of the Gas (Downstream Reconciliation) Rules 2008.

Following the release of the Levy Consultation Paper, Levy Consultation Workshops were held at Gas Industry Co's premises on 21 and 28 January 2009.

The closing date for submissions is 5 February 2009.

Read more about the levy here: <http://www.gasindustry.co.nz/work-programme/gas-industry-company-levy-2010>

Compliance

In December 2008, the market administrator received notice of 10 alleged breaches of the Gas (Downstream Reconciliation) Rules 2008 by nine participants. The market administrator is required to determine whether alleged breaches are material based on criteria set out in the Gas Governance (Compliance) Regulations 2008.

Nine of the alleged breaches were determined not to be material and one has been referred for investigation. Copies of the determinations are available here: <http://www.gasindustry.co.nz/work-programme/compliance?tab=402>

Notices of six alleged breaches of the rules by five participants were received by the market administrator in January 2009. One of the alleged breaches has been referred for investigation. The market administrator is yet to determine the materiality of the others.

Switching and Gas Registry

The new switching rules - the Gas (Switching Arrangements) Rules 2008 - are designed to facilitate communications between retailers, meter owners and distributors to enable customers to change retailers ("switch"). The switching rules go live on 2 March 2009.

Work has continued ahead of schedule and within budget. All major registry functions have been established and tested, including the entry of test data by participants. The formal migration of data into the registry is scheduled for February 2009.

Decisions will shortly be published on two sets of exemption applications seeking changes to deadlines in the Rules, and a further application seeking exemption for bypass gas gates is likely to be consulted on in February 2009.

Minor amendments to the switching determinations are being consulted on. The document can be viewed here: www.gasindustry.co.nz/work-programme/switching-and-registry

Submissions close on 11 February 2009.

Critical Contingency Management

MDL and Vector have released their draft Critical Contingency Management Plans (CCMPs) for consultation. These have been sent to interested parties and copies are available here:

<http://www.gasindustry.co.nz/work-programme/critical-contingency-management?tab=331> and click on 'Draft CCMPs'.

Submissions close on 10 February 2009. Please note that these should be sent to the relevant transmission system owner.

Downstream Reconciliation

Further monthly allocations under the Gas (Downstream Reconciliation) Rules 2008 for the gas consumption months of December 2008 and January 2009 have been completed.

Issues currently being dealt with include uploading allocation results to OATIS, dealing with gas gates where there is apparently zero consumption but positive injection quantities, and Gas Gate Residual Profiles (GGRPs) that have negative values.

Consultation has been completed on a set of six guideline notes and final approvals are expected in mid-February.

Joint Consumer Complaints Scheme

Selection of a preferred applicant for an approved complaints scheme is currently being considered.

Once a decision has been made, a consultation paper will be issued - planned for March 2009 - which will compare the selected scheme with other options, including a fully regulated scheme.

Consumer Issues Consultation Paper

Submissions on the Consumer Issues Consultation Paper have been analysed and the results, together with a response document setting out next steps in key areas, will be considered by the Gas Industry Co Board in February 2009. Areas of work arising are expected to include:

- retail contract terms and conditions including connections and disconnections;
- performance measurement for competition and for gas governance arrangements; and
- the provision of information to support effective consumer choices.

Transmission Pipeline Balancing

A balancing options paper was released for consultation on 19 December 2008. Submissions close on 27 February 2009.

Vector Transmission Code (VTC) Changes

Under clause 25 of the VTC, Gas Industry Co has a role in relation to code change request appeals. The Company considers such appeals and, following consultation, makes a binding recommendation to Vector on whether the change should be adopted.

Gas Industry Co and Vector have described this process in a Memorandum of Understanding (MoU), which is available here:

<http://www.gasindustry.co.nz/work-programme/compliance-procedures/publications/memorandum-understanding-vector>

Two appeals by Contact Energy Limited are currently being processed. The first, received on 9 October 2008, concerns four change requests made by Contact and rejected by Vector. The proposed changes relate to the management of balancing gas payments, the availability of energy quantity information, and the provision of information on Vector's imbalance position.

Gas Industry Co has since developed and consulted on a draft recommendation on this appeal, and a final recommendation is due for release on 23 February 2009.

The second appeal, received on 12 December 2008, also relates to a change request initiated by Contact and rejected by Vector. The proposed change would require Vector to publish the quantities of gas delivered from the transmission pipeline every day, rather than on working days only.

Gas Industry Co has received and published submissions on this appeal and the closing date for cross-submissions is 11 February 2009. A draft recommendation on this appeal is expected to be released on 30 March 2009.

New website

Gas Industry Co launched its new website on 18 December 2008. It has been redesigned for ease of navigation, and will feature regular updates.

Please note, however, that links from the former website may now be invalid. They can be accessed on the updated site through the Work Programmes/Publications tabs or by using the Search facility.

View our new website at www.gasindustry.co.nz

New premises

As from 5 January 2009, Gas Industry Co's physical address has changed. All other contact details remain the same.

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