

Update

Diary Dates

Monday 22 December 2008

– Gas Industry Co closes for the Christmas break

Wednesday 7 January 2009

– Gas Industry Co re-opens for 2009 in new premises

January 2009

– Release of levy consultation paper

Monday 19 January 2009

– Levy consultation workshop

Levy consultation

Gas Industry Co's Board has made an in-principle decision to propose to the industry that the 2010 levy be in 3 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. This is intended to recover the establishment costs of the Gas (Downstream Reconciliation) Rules 2008. It will be spread between gas retailers on a per gate station basis, using the same allocation principle as for the recovery of ongoing operational costs.

Gas Industry Co will release a levy consultation paper in mid-January for a 2-week consultation period. The levy consultation workshop will be held at Gas Industry Co's new premises on Monday 19 January 2009.

New Ministers

Gerry Brownlee has been appointed Minister of Energy and Resources under the new National Government, with Pansy Wong taking the role of Associate Minister.

Compliance

In November, the market administrator received notice of five alleged breaches of the Gas (Downstream Reconciliation) Rules 2008 by five 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. Four of the alleged breaches were determined not to be material and one has been referred for investigation. Copies of the determinations are available on Gas Industry Co's website.

Downstream Reconciliation

Two monthly allocations under the Gas (Downstream Reconciliation) Rules 2008, for the gas consumption months of October and November 2008, have been completed. Although the allocation system has generally worked well, various issues have been, or are being, dealt with. In some cases, these will involve exemptions and/or changes to systems. Issues have included uploading allocation results to OATIS, dealing with gas gates where there is apparently zero consumption but positive injection quantities, and dealing with Gas Gate Residual Profiles (GGRPs) that have negative values. One special allocation has also been carried out and consultation initiated on a set of six guideline notes.

Switching and Gas Registry

Switching is concerned with arrangements that enable customers to move between retailers and, as from go-live on 1 March 2009, this will be governed by the Gas (Switching Arrangements) Rules 2008.

Work has continued toward the achievement of the go-live date, ahead of schedule and within budget.

Consultation is in train on two sets of exemption applications seeking changes to deadlines in the Rules, and a further application seeking exemption for bypass gas gates will be consulted on in January 2009.

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. Necessary determinations have been consulted on and issued by Gas Industry Co.

Transmission Pipeline Balancing

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

Joint Consumer Complaints Scheme

A joint project between Gas Industry Co and the Electricity Commission is in progress that will make arrangements for a joint gas and electricity complaints scheme. A Request for Applications (RFA) for an approved scheme was issued in September and the closing date for applications was 8 December. Applications are currently being reviewed.

After selection of the preferred applicant, 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

A broadly based consultation paper on consumer issues was issued by Gas Industry Co in August 2008. The initial closing date for submissions was 25 September but this was extended to late October.

Submissions have been analysed. It is anticipated that the results of this analysis, 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.

Energy News interview

Gas Industry Co Chief Executive Christine Southey features in Energy News as part of its Executive Interview series. To read the interview, please contact Energy News editor Matt Freeman:
matt.freeman@freemanmedia.co.nz

New website

Gas Industry Co has launched its new website. 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 here: www.gasindustry.co.nz

New premises

From 7 January 2009, Gas Industry Co will have a new address. All other contact details remain unchanged.

Gas Industry Co Limited

Level 8, Todd Building

95 Customhouse Quay

PO Box 10 646

Wellington 6143

Telephone: +64 4 472 1800

Facsimile: +64 4 472 1801

Email: info@gasindustry.co.nz

Website: www.gasindustry.co.nz



With very best wishes for a wonderful Christmas and
New Year.
From Gas Industry Co staff.