

# Gas (Downstream Reconciliation) Rules 2008 (Exemption DR10-03: Direct Connect Gas Gates) 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 DR10-03: Direct Connect 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 section 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) Direct connect gas gates means the gas gates that supply one or more consumers directly from the transmission system and are either set out below or otherwise determined and published by Gas Industry Co to be direct connect gas gates for the purposes of this notice.

ALF15501	Alfriston
BAL08201	Ballance Ammonia-Urea
BAL09626	Ballance Ammonia-Urea
BER00653	Bertrand Road
BRO36301	Broadlands
GLB03401	Glenbrook
HPS02993	Huntly Powerstation
HUN15303	Hunua 3
KAP09612	Kapuni
KAW04410	Kawerau (ex-Caxton)
KAW04411	Kawerau (ex-Tasman)
KIN04310	Kinleith (CHH mill)
KIW34201	Kiwitahi 1 (Peroxide)

KTK23901	Kaitoke
KUR33601	Kauri DF
KUP37503	Kupe
LCF20010	Lichfield DF
MGK05401	Mangatainoka
MNG34001	Mangaroa
MCS01143	Mokau Compressor Station
MOK35801	Mokoia
MRV16301	Morrinsville DF
MSD01801	Marsden 1 (NZRC)
MSD01802	Marsden
MUT19001	Maungaturoto DF
NGA00669	Ngatimaru Road (Delivery)
NPS00530	New Plymouth Power Station
OKW23401	Okaiawa (Taranaki Byproducts)
OTB00301	Otahuhu B Power Station
RAG33401	Rangioru
SDN00101	Southdown Power Station
STR00521	Stratford 2 ( <i>effective from 01/02/11</i> )
STR00501	Stratford 3
TAC31001	Te Awamutu Cogeneration Plant
TAT16401	Tatuanui DF
TCC00201	Taranaki Combined Cycle (TCC)
TIR33501	Tirau DF
WKE19201	Waikeria

### 3. Exemption

An exemption from the application of rules 29, 31, 32, 33, 39, 40, 48, 49, 50, 51, 52, 53, 78 and 79 is granted in respect of direct connect gas gates subject to the following terms and conditions:

- (a) To avoid doubt, as no quantities of gas will be allocated to a retailer by the allocation agent in an initial allocation under rule 48 in respect of direct connect gas gates, ongoing fees payable under rule 16 of the Rules do not apply to direct connect gas gates.
- (b) This exemption expires on 30 September 2012.
- (c) This exemption replaces the following exemptions which expire on 30 September 2010:

- (i) *Gas (Downstream Reconciliation) Rules 2008 (Exemption: Direct Connect Gas Gates) Notice 2008*
- (ii) *Gas (Downstream Reconciliation) Rules 2008 (Exemption DR09-01-U: Direct Connect Gas Gate) Notice 2009*
- (iii) *Gas (Downstream Reconciliation) Rules 2008 (Exemption DR09-13-U: Direct Connect Gas Gate) Notice 2010*
- (iv) *Gas (Downstream Reconciliation) Rules 2008 (Exemption DR10-01-U: Direct Connect Gas Gate) Notice 2010*

#### **4. Reasons for granting the exemption**

The reasons for granting the exemption are:

- (a) In light of the potential implementation and compliance costs, the initial benefits in applying the consumption information obligations and global allocation methodology set out in the Rules are reduced in respect of direct connect gas gates.
- (b) For consistency and operational reasons, all types of direct connect gas gates (including those with more than one retailer or consumer) have been exempted for the purposes of this exemption.
- (c) There are unlikely to be any detrimental effects on competition for retailers or transmission system owners at direct connect gas gates, and granting the exemption is likely to ensure consumers at these direct connect gas gates are not subject to increased gas costs or prices due to retailer compliance costs with the Rules.
- (d) The exemption allows a continuation of the status quo whilst Gas Industry Co reviews the Rules. This review will include consideration of how direct connect gas gates shall be treated under the Rules.

**DATED** at Wellington this 1<sup>st</sup> day of October 2010.

For and on behalf of Gas Industry Company Limited:

IAN WILSON, Acting Chief Executive.