

Gas (Downstream Reconciliation) Rules 2008 (Exemption DR10-06: Oversized Metered 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 DR10-06: Oversized Metered 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 Flockhouse FLH21901 and Te Teko TTK30601 gas gates which have oversized meters. The exemption is subject to the following terms and conditions:

- (a) 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.
- (b) The exemption shall expire on 30 September 2012.
- (c) The exemption will replace the *Gas (Downstream Reconciliation) Rules 2008 (Exemption DR09-10-T: Oversized Metered Gas Gates) Notice 2009*, which expires on 30 September 2010

4. Reasons for granting the exemption

The reasons for granting the exemption are that:

- (a) Gas quantities at these gas gates are unable to be measured accurately, due to the meters being oversized for the small amounts of gas now flowing at the gas gates.
- (b) Given the costs to replace the meters at these gas gates and the variability of the gas flows, it is considered reasonable that an exemption be granted to enable more accurate injection quantities to be used in allocations at these gas gates.
- (c) An alternative arrangement has been provided for the allocation agent to use consumption information provided by retailers under the Rules to estimate the injection quantities at the affected gas gates.
- (d) The exemption allows a continuation of the status quo whilst Gas Industry Co reviews the Rules. This review will include consideration of how oversized metered 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.