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Vector Limited

101 Carlton Gore Road
PO Box 99882, Newmarket
Auckland 1149, New Zealand
www.vector.co.nz

Corporate Telephone
+64-9-978 7788

Corporate Facsimile
+64-9-978 7799

Andrew Walker
Adviser
Gas Industry Company
PO Box 10-646
Wellington

Dear Andrew

**Submission on the Extension of Exemptions under the Downstream
Reconciliation Rules and Rule 37 Determination**

1. Vector Limited ("Vector") welcomes the opportunity to make a submission on the Gas Industry Company's ("GIC") consultation document, *Consultation on Exemptions and Rule 37 Determination under the Gas (Downstream Reconciliation) Rules 2008* ("the Rules"), dated 17 September 2012.
2. Vector supports the proposed extension of the exemptions under the Rules in relation to direct connect gas gates, unmetered gas gates, gas gates with oversized meters, and gas gates at which the global one-month allocation methodology for Unaccounted-for-Gas is applied.
3. Vector also supports the extension of the exemptions for the publication and revision of injection information by transmission system operators (exemption numbers DR10-05-S and DR-11-01-S).
4. The above exemptions will ensure, to some extent, the smooth transition from the current Rules to the new and amended Rules, intended by the GIC to go live in June 2013. Vector's views on the proposed exemptions are discussed in more detail in its submission of 3 September 2012 on the GIC's Statement of Proposal on the review of the Rules.¹
5. Vector further supports the GIC maintaining the current 10% Rule 37 accuracy threshold and reiterates its view that a tighter margin, by itself, would not provide

¹ <http://www.vector.co.nz/sites/vector.co.nz/files/Vector%20Submission%20-%20Downstream%20Reconciliation%20SoP.pdf>

sufficient incentives for market participants to make further investments to improve the accuracy of their consumption estimates.²

6. No part of this submission is confidential and Vector is happy for it to be made publicly available.
7. Vector's contact person for this submission is:

Luz Rose
Senior Regulatory Analyst
04 803 9051
Luz.Rose@vector.co.nz

Yours sincerely



Bruce Girdwood
Manager Regulatory Affairs

² <http://www.vector.co.nz/sites/vector.co.nz/files/20110930VectorSubmission-Rule37.pdf>