



14 August 2017

Ian Wilson  
Senior Technical Adviser – Infrastructure  
Gas Industry Company Limited  
By electronic upload

Dear Ian,

**RE: Gas Industry Co's ("GIC") proposed approach to GTAC assessment ("the paper")**

Greymouth Gas New Zealand Limited considers the GIC's paper to be relevant, appropriate, and a function of good leadership given current wider uncertainties with the GTAC process.

Greymouth Gas agrees with most of the paper, although we observe that industry (including ourselves) has a number of further points that it would like to be addressed vis-à-vis what the process and the test should be. However, the benefit in the paper is that it moves the GTAC assessment conversation forwards notwithstanding whether the test is prescribed in the current MPOC change request under consideration or otherwise.

Greymouth considers that while the MPOC change request process provides a useful proxy for setting the framework for the GTAC assessment focus, it will be important for the GIC, First Gas Limited ("FGL") and the industry to keep in mind that the GTAC is not an amendment to the MPOC but rather a whole new set of arrangements for the industry to replace the MPOC and the VTC. The importance of the consultation and assessment process should be recognised between all industry participants, for example by entering into an MOU between the GIC and all expected signatories to the GTAC.

Greymouth Gas considers that the paper has enough good value and that it should:

- Be embedded in an MoU between GIC and (at least) FGL, subject to the parties consulting on that MoU (and this will go further towards establishing contractual nexus), and
- Require the recipe for that MoU (regarding consultation and assessment of the GTAC) to be codified in the MPOC for the purposes of:
  - Strengthening the contractual nexus and good faith elements of the process,
  - Debating it to ensure industry has a say (which should address industry's further points that it would like to be addressed), and
  - Providing protection that the consultation and assessment mechanism is not subject to change (once set), as the opposite is currently true.

While the timing of the paper is not great, the first point above could be progressed even though industry is part way through considering the MPOC change request.

If the MPOC change request failed, both points above could be progressed which would surely be the best and fairest outcome for industry.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Boxall', followed by a horizontal line extending to the right.

Chris Boxall  
Commercial Manager