Block 1 Outputs – 6 Balancing

Appendix 1 - Proposed GTAC amendments

*Running Mismatch Tolerance* means, for each Day and:

* + 1. each Shipper, an amount equal to 400 GJ (or such other quantity as notified by First Gas on OATIS from time to time) plus:

(i) for Receipt Quantities:

RQSHIPPER ÷ RTQ × LPTNet /2where:

*RQSHIPPER* is the aggregate of that Shipper’s Receipt Quantities (whether under a TSA, an Existing Supplementary Agreement, a Supplementary Agreement, an Interruptible Agreement or otherwise) in respect of Receipt Points where an OBA does not apply;

RTQ is the sum of RQTOTAL andMQROBAPS

RQTOTAL is the aggregate of all Shippers’ Receipt Quantities (whether under a TSA, an Existing Supplementary Agreement, a Supplementary Agreement, an Interruptible Agreement or otherwise) in respect of Receipt Points where an OBA does not apply; and

LPTNet is the total quantity of Line Pack available in the Transmission System, periodically determined by First Gas in accordance with section 8.5 and published on OATIS; less the aggregate minimum quantities allocated to each Shipper or OBA Party.

(ii) for Daily Delivery Quantities:

DQSHIPPER ÷ DTQ × LPTNet /2

where:

*DQSHIPPER* is the aggregate of that Shipper’s Daily Delivery Quantities (whether under a TSA, an Existing Supplementary Agreement, a Supplementary Agreement, an Interruptible Agreement or otherwise) in respect of Delivery Points where an OBA does not apply;

DTQ is the sum of DQTOTAL andMQDOBAPS

DQTOTAL is the aggregate of all Shippers’ Daily Delivery Quantities (whether under a TSA, an Existing Supplementary Agreement, a Supplementary Agreement, an Interruptible Agreement or otherwise) in respect of Delivery Points where an OBA does not apply; and

* + 1. each OBA Party, an amount equal 400 GJ (or such other quantity as notified by First Gas on OATIS from time to time) plus:

(i) for Receipt Quantities:

MQOBAP ÷ RTQ × LPTNET /2

where:

*MQOBAP* is the aggregate of the OBA Party’s metered quantities at all that OBA Party’s Receipt Points;

MQROBAPS is the aggregate of the metered quantities of all Receipt Points where an OBA applies; and

 (ii) for Daily Delivery Quantities:

MQOBAP ÷ DTQ × LPTNet /2

where:

*MQOBAP* is the aggregate of the OBA Party’s metered quantities at all that OBA Party’s Delivery Points;

MQDOBAPS is the aggregate of the metered quantities of all Delivery Points where an OBA applies; and

where each of the relevant Receipt Quantities, Daily Delivery Quantities and metered quantities (as applicable) referred to in each of RQSHIPPER, RQTOTAL, DQSHIPPER, DQTOTAL, MQOBAP,and MQOBAPS is determined based on the arithmetic average of the relevant quantities specified in each formula over the preceding 10 Days based on the initial Allocation Result; ***[Note: to add allowance for operational profile notice to amend this section if agreed.]***

# balancing

## Line Pack Management

* 1. First Gas will use reasonable endeavours to maintain the Line Pack between the lower and upper limits it determines (respectively, the lower and upper *Acceptable Line Pack Limits*) in order to:
		1. meet its current obligations to provide all DNC and Supplementary Capacity;
		2. provide Running Mismatch Tolerance for Shippers and OBA Parties, having regard to:
			1. prevailing Transmission System operating conditions, including the availability and operability of compression;
			2. not affecting its ability to provide additional transmission capacity;
			3. not unduly increasing the risk of breaching an Acceptable Line Pack Limit;
			4. the requirements relating to maintaining the Target Taranaki Pressure set out in *section 3.37*; and
			5. [providing a reasonable allowance for AHPs];
		3. meet any other obligations it has under this Code and any obligations it has to Interconnected Parties; and

* + 1. once it has had regard to the requirements of *section 8.5(a) to (c)*, provide for any park and loan service (where First Gas elects to offer such service).
	1. Where it determines that a breach of an Acceptable Line Pack Limit is anticipated without any corrective action, First Gas will (subject to a Critical Contingency, Force Majeure Event or Emergency):
		1. where time and circumstances permit, issue a Low Line Pack Notice or High Line Pack Notice (as applicable); or
		2. where:
			1. time and circumstances do not permit the issue of such a notice; or
			2. corrective action in response to its prior issuance of a Low Line Pack Notice or High Line Pack Notice did not result in sufficient corrective action (or is expected to not result in corrective action in sufficient time); or
			3. it otherwise considers it necessary to do so,

use reasonable endeavours to buy or sell Gas to manage Line Pack (*Balancing Gas*) within Acceptable Line Pack Limits.

* 1. For any Day on which a Shipper or OBA Party has negative Excess Running Mismatch (*Negative ERM*), that Shipper or OBA Party will pay to First Gas a charge equal to:

Negative ERM × FNERM × IN

where:

*FNERM* is a fee determined by First Gas in accordance with *section 8.14* and published on OATIS; and

*IN* is 1, except where in respect of all or any part of any Day the:

* + 1. Line Pack is or falls below the specified lower Acceptable Line Pack Limit, when it is 5 for such Day; and
		2. except where paragraph (a) applies, Line Pack is above or exceeds the specified upper Acceptable Line Pack Limit, when it is zero for such Day.
	1. For any Day on which a Shipper or OBA Party has positive Excess Running Mismatch (*Positive ERM*), that Shipper or OBA Party will pay to First Gas a charge equal to:

Positive ERM × FPERM × IP

where:

*FPERM* is a fee determined by First Gas in accordance with *section 8.14* and published on OATIS; and

*IP* is 1, except where in respect of all or any part of any Day the:

* + 1. Line Pack is above or exceeds the specified upper Acceptable Line Pack Limit, when it is 5 for such Day; and
		2. except where paragraph (a) applies, Line Pack is or falls below the specified lower Acceptable Line Pack Limit, when it is zero for such Day.