

Welcome to Gas Industry Co's News Bulletin, a periodic advisory of new and current consultations, workstream developments, publications and presentations.

CURRENT CONSULTATION

Consultation on Special Allocations for D+1 Trial

Gas Industry Co is consulting on a proposal to use the special allocation process to replace the initial allocation results produced by the allocation agent under the Gas (Downstream Reconciliation) Rules 2008 with the daily allocation (D+1) results produced as part of the D+1 trial.

The reason for the replacement is to allow Vector shippers to use the D+1 trial results in a meaningful way throughout the month, by ensuring that the same numbers are used by Vector for its end-of-month billing process.

Submissions are invited by **5.00pm Wednesday 16 September 2015**.

[> Read more or upload a submission](#)

UPCOMING EVENTS

Gas Story Roadshows

Gas Industry Co will be repeating last year's popular roadshow presentations on *The New Zealand Gas Story*. Our intention is to provide an 'end-to-end' overview of the New Zealand gas industry, highlighting latest trends and future scenarios.

This year we will be holding the presentations in Auckland, Taranaki and Wellington, and if there is sufficient interest we are happy to present to individual organisations.

City	Venue	Date	Time
Wellington	Gas Industry Co 95 Customhouse Quay	Thursday 1 October	10am to Noon
Auckland	Vector Carlton Gore Road	Wednesday 7 October	10am to Noon
Taranaki	Venture Taranaki 9 Robe Street New Plymouth	Thursday 13 October	10am to Noon

You can register your interest to attend a roadshow at one of the above centres by emailing sandy.thambiah@gasindustry.co.nz

[> Register your attendance](#)

OTHER NEWS ITEMS

Potential Critical Contingency on 15 April 2015

Gas Industry Co has issued its report on the potential critical contingency event on 15 April 2015.

Maui linepack on 14 and 15 April 2015 fell to levels that caused the Critical Contingency Operator (CCO) to issue a 'Notification of Potential Critical Contingency'. Gas Industry Co was concerned that the situation was triggered by market operations behaviour rather than a physical supply problem. The Report, *'Potential Critical Contingency on 15th April 2015 – Analysis of Data'*, was conducted in response to broad stakeholder interest in the event, and limited public visibility of data surrounding it.

In summary, the Report concludes the linepack fall was caused mainly by a steep decline in Running Operational Imbalance (ROI) at transmission pipeline welded points, and that this was attributable principally to shippers on Vector's North and South-Kapuni-Frankley Road (SKF) Pipelines drawing more gas from the Maui pipeline than they had contracted for.

The event highlighted the ineffectiveness of the current Imbalance Limit Overrun Notice (ILON) process. The report notes that the introduction of daily cash-outs under the new Maui pipeline market-based balancing regime to take effect from 1 October 2015 will prevent such imbalance accumulations at welded points and incentivise all pipeline users to improve primary balancing.

To assist its analysis, Gas Industry Co formally requested gas transaction information from relevant participants under the Information Gathering Protocol. This was not wholly effective and the investigation was hindered because two retailers declined to provide the data requested. Consequently, Gas Industry Co will review the information gathering arrangements, in particular the role of the Protocol.

[> View the Report here](#)

Amendments to Gas Registry, Switching Rules and Reconciliation Rules

In March 2015 the Minister of Energy and Resources, Hon Simon Bridges, approved Gas Industry Co's Recommendation to amend the Gas (Switching Arrangements) Rules 2008 and Gas (Downstream Reconciliation) Rules 2008 (the Rules).

The amendments result from two separate Gas Industry Co projects. The first set of amendments relates to the Gas Registry Amendments Project which seeks to enhance the operation of the Gas Registry and arrangements for customer switching. The second set forms part of a framework for addressing retailer insolvency in the gas market.

The Gas Registry Amendments Project has involved almost all retailers and meter owners, under the guidance of the Registry Amendments Implementation Group (RAIG). For the last 12 months, participants have been actively engaged in functional design refinements, data cleansing and user acceptance testing activities. With their support, the Registry Operator is on track to implement the planned changes to the Gas Registry on Monday 14 September, which will coincide with the effective date of the amendments to the Rules.

More information on the Recommendation and the Gas Registry Amendments Project can be found on our website.

[> Read more](#)

Market Administrator Guidelines

Gas Industry Co has published new Market Administrator Guidelines under regulation 19A of the Gas Governance (Compliance) Regulations 2008, which will implement a compliance threshold regime for certain rules under the Gas (Switching Arrangements) Rules 2008. The Guidelines also incorporate the previous compliance threshold related to rule 37.2 of the Gas (Downstream Reconciliation) Rules 2008.

The Guidelines can be used by the Registry Operator and the Allocation Agent, in accordance with regulation 11A, to identify exceptions to the mandatory breach reporting requirement in regulation 11.

Further information on the Guidelines and the compliance threshold regime can be found on our website.

[> View the Guidelines](#)

VTC Change Requests

Vector recently proposed to extend the term of the VTC by two years, to 30 September 2017. This proposed change has been processed. The change has received the necessary support (under the new VTC s25 amendment process introduced on 1 April 2015), and is now final.

Contact Energy recently proposed a change to the VTC s6 gas transfer agreement process to allow it to be run daily rather than weekly. This proposal would allow Vector shippers to better manage their balance positions when daily cash-out of excess imbalance is introduced to the Maui pipeline on 1 October 2015. This proposed change is still under consideration.

Further information about these Change Requests, including submissions arrangements, is available on the OATIS website under Vector/Publications.

[> Read more](#)

Latest Switching Statistics

Gas Industry Co has published the gas consumer switching statistics for August 2015. There were 4603 completed switches during the month, down 381 on July 2015. This was 465 more than in August 2014.

[> View the switching statistics](#)

Stakeholder Survey

Gas Industry Co recently completed its second perception survey of stakeholders and we thank all who took the time to respond. The results again both reflected successes over the past year and provided us with valuable pointers to where we can improve our processes and interactions. Aspects of feedback reflected the sometimes challenging nature of the issues that we have addressed with stakeholders in the past year and we will be working hard to ensure that we continue to have the type of constructive, effective stakeholder communications and relationships that are appropriate to our role as the industry body and co-regulator.

Stakeholders are encouraged to contact Gas Industry Co at any time to discuss issues directly and we look forward to engaging with you at the upcoming Co-Regulatory Forum in November to commence the process of developing our FY2016 Work Programme and budget.

If you wish to discuss any aspect of this bulletin, please contact us at info@gasindustry.co.nz or 04-4721800

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