Tuesday 10 July 2018 at 10:00 am

#### Process matters

##### Action Points

* Independent Facilitator (IF) to discuss an appropriate process for development of the agenda for each workshop with Gas Industry Co and First Gas.
* IF to ensure two matters arising (‘accuracy of nominations’ and ‘authorisation’) is taken on either the 11th or 12th of July.
* Participants to review / raise missing items from the 29 June version of the work programme, which First Gas will then update and table back to the group.
* GIC to circulate draft minutes, call for feedback, consider the feedback, and table the minutes for ratification at next workshops. The minutes are to capture actions and discussion.

##### Discussion

Concerns were raised regarding the lack of clarity on the process for development of agendas for the workshops, what defines consensus, what is governed by the IF and the Terms of Reference, whether the timeframes for completion of the work are realistic, ensuring that a consolidated GTAC is available for review and the need for a summary at the end of each workshop. It was agreed:

* To adopt standing agenda items to review minutes, review action points, call for matters arising and consider next steps,
* To circle back from time to time (during and across workshops) on whether the timeframes for completion of the work are realistic.
* To proceed with the summit even though there were unaddressed questions over a 1 October go-live, an adequate window for legal review of the whole code, and a two month shortening of the window for IT in 2019.
* That the consultation timeframes published by First Gas in its 19 April 2018 next steps memo would be adopted.
* That ‘consensus’ in relation to an agreement or action point need not be unanimous, would not be defined, and would be the IF’s “captain’s call” based on a read of the room.
* That associated arrangements may or may not be governed by the IF and its Terms of Reference, with decisions to be made on a case-by-case basis.
* That the metering workshop will not be so governed.

Due to time constraints, the minutes for 21 June were not discussed or ratified and nor was there a discussion on whether the action points had been completed (subject to the next paragraph, this was indefinitely deferred). It was, however, agreed to make more offline use of feedback to improve the process relating to minutes.

First Gas confirmed that the 29 June version of the work programme was the applicable version. It also confirmed that the purpose is to complete the workstreams, not the workshops, and that any associated agreements noted in the work programme will be tabled to the GIC contemporaneously with the GTAC. It was agreed to review the work programme offline in lieu of considering the related action points from the 21 June workshop.

#### Core terms of Interconnection

##### FAP finding

* The core terms of interconnection should be standard across all interconnected parties (so that coherent, non-discriminatory access is assured), except to the extent that individually negotiated terms are appropriate.

##### Action Points

* Bell Gully to adopt the following list of common and essential terms (with reference to memo 1.2) in other action points relating to code integration:

1. Applicable technical standards
2. Gas quality including odourisation, how to treat potential events, and providing advice in respect of the delivered gas quality
3. Metering including who gets the results of the tests
4. Records
5. Peaking (subject to any action points in relation to the peaking workshops)
6. Flow to nominations
7. Pressure including at delivery points (with TTP subject to any action points from that workshop)
8. TSO instructions including for shippers to be cc’d
9. Changes
10. Liability
11. Liability for non-specification gas

* Bell Gully to extend the list and action above (for other matters agreed at the workshop):

1. Fees and charges (balancing plus obligation to follow interconnection policy)
2. Confidentiality
3. Curtailment
4. Right to OBA/allocation including options for nominations, allocations and confirmation
5. Termination including termination / renewal rights
6. Interconnection change requests (common)
7. Delegated authority/agent (individual, but how agents are treated is common)
8. Force majeure
9. Status of obligations in critical contingency events

##### First Gas to report back to stakeholders as to whether it would progress a workstream in relation to the AEMO protocol.

##### First Gas to report back to stakeholders as to whether it will permit end-user read-only access to the GTAC IT system.

##### First Gas to discuss displaced gas nominations with Shell and report back to stakeholders about whether or not further action is required.

##### Discussion

It was agreed that the factors for adopting common terms were i) terms that apply to all interconnected parties, and ii) optional terms that can affected other pipeline users. The group also noted the high-level nature of the points, with detailed debate to follow in a future workshop.

First Gas proposed a list of common and essential ICA terms which was agreed as written in memo 1.2 save for any further qualifications noted in the action points. Related matters discussed, but not adopted were that, separate to the GTAC process, GIC may further consider outages and gas spec depending on where the GTAC process ends up.

Other common terms were discussed and adopted as noted in the action points. Matters discussed, but not adopted as common terms were term, displaced gas functionality, delegated authority and end-user IT access.First Gas confirmed that not all delivery points will need ICAs, but that all receipt and delivery points would be an interconnected party regardless of whether they did or did not have an ICA. First Gas also tabled a list of current ICAs under the VTC and MPOC which was noted.

#### Preference and priority and the status of First Gas and emsTP contracts were also discussed, noting that these would be addressed later. Integration of ICAs into the code

##### FAP finding

* Terms that apply to interconnected parties through ICAs must mesh with the terms that apply to all other interconnected parties and to shippers through TSAs. The terms and conditions of access to, and use of, the gas transmission system must be fully described for all system users and be coherent (i.e. work together).

##### Action Points

* Bell Gully to update the GTAC to reflect option two (i.e. a schedule of common terms) in the most comprehensible manner possible, including:
  + That the schedules attached to the code will be subject to the GTAC change request process,
  + An allowance for non-GTAC interconnected parties, and
  + A minimum but complete set of changes be made inside the GTAC itself to allow the arrangements to mesh.

##### Discussion

First Gas presented four options for ICA integration into the GTAC – a list of common terms, common terms in a schedule, all terms (common and individual) embedded in the GTAC, or all terms (common and individual) in a separate interconnection code. The first and last were discounted for reasons of effectiveness and efficiency respectively. No further options were tabled.

A minority considered now the time to properly embed the terms into the code (so that shippers and interconnected parties can understand all transmission system obligations in one place).  However, the broad view was that specifying common terms in a GTAC schedule would suffice and be the easiest to draft. This position was generally agreed, provided that sufficient changes were made in the GTAC to prevent any ‘gaps’ in the framework. This was also agreed.

#### Allocation methods

##### FAP finding

* Range of receipt points and dedicated delivery point allocation methods lack clarity/specificity (18)
* Shippers are not always best placed to make the choice for RPs and DPs with a single injecting party or end-user, it is interconnected parties who have the long term interest in the allocation method, and so they should be permitted to choose it.
* Absence of D+1 agreement under the GTAC to replace the existing one under the VTC.

##### Action Points

* Bell Gully to update the GTAC so that allocation at receipt points and dedicated delivery points adopts the following principles: 100% of flow is fully allocated, no intra-day splits, a default rule, and a notice period for changes in allocation methodology.
* First Gas to consider an appropriate qualification on the level of optionality in relation to allocation methods at receipt points and dedicated delivery points to address the concerns around the potential impact of allocation methods on other pipeline users.
* IF to ensure that the discussion on allocation methods at dedicated delivery points is taken on the 12th of July together with wash-ups.

##### Discussion

The general view was that interconnected parties are best placed to choose the allocation method at a receipt point or dedicated delivery point as the party with the greatest interest in the allocation.

Stakeholders discussed the level of optionality regarding allocation methods at receipt points or dedicated delivery points. Some stakeholders raised concerns that a number of different allocation methods may have a potential impact on other system users and the operation of the system.

It was agreed to defer the discussion on allocation methods at shared delivery points, and not to take any further items today because some interested participants may not have been present.

The meeting closed at 3.15pm.