



07 October 2016

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**TRUSTPOWER SUBMISSION:
Gas Transmission Access; Single Code Options Paper – Part 1.**

Trustpower thanks The Gas Industry Company (GIC) for the opportunity to submit on the Gas Transmission Access; Single Code Options Paper – Part 1 (Consultation Paper).

Trustpower agrees with the process outlined by the GIC in the Consultation Paper. We agree that the GIC needs to progress a parallel work stream so that should the work by First Gas and Industry Participants fail to reach an agreement where a new code can be implemented, there is a credible Regulatory alternative.

Trustpower remains optimistic that with both high pressure transmission networks under single ownership, it is more likely that a new code will emerge. Under the previous, split ownership, of the two pipelines the industry was caught in a tension where both owners of high pressure gas transmission were operating without an end to end interaction of the gas system. Both owners were operating with their own view of the future which, it appeared, were often at odds with each other. Under the single owner we believe the industry are much more likely to develop a new code which will assist in promoting the use of gas in New Zealand.

We agree that at this early stage it is best to focus on the general form of gas transmission access, and develop arrangements which will best meet the regulatory objectives. Once the overall design of the transmission access arrangements has been developed, supporting arrangements, such as balancing can be designed. The over structure of the transmission services, however, will likely dictate the form of these supporting arrangements.

Ultimately Trustpower is supportive of the new code, and the proposed process, and believe that the single ownership of the High Pressure Gas Transmission network will have benefits to consumers by improving transparency, and increasing the ease of access to the Wholesale Gas Market.

For any questions relating to the material in this submission, please contact me on 07 572 9888.

Regards,

CRAIG SCHUBAUER

WHOLESALE MARKET MANAGER

Gas Transmission Access Single Code Options Paper - Part 1

Appendix A: Responses to consultation questions

Question	Response
1 Do you agree with the proposed regulatory objective? If not, how would you propose describing the objective?	Yes. The proposed objectives look to be complete, and should also improve transparency in the gas market, alongside the efficiency gains from a more competitive market. These will ultimately remove barriers which could be increasing the cost of access to gas in New Zealand.
2 Do you agree that it is not necessary to specify what elements of the access regime will be addressed in a new code at this stage of the process?	Yes. We believe that in this initial stage of the Code development process, it is more important to focus on the broad structure of the gas transmission arrangements. The structure of Gas transmission will then provide direction to the supporting arrangements. It is important, however, to be cognisant off the issues which particular transmission options may create, so that the structure of the arrangements do not create larger problems to be solved in the supporting arrangements.
3 Do you agree with the suggested synthesis of the PEA's guiding principles?	Yes. Trustpower also believes that the single code should provide significant transparency benefits, and should improve the ease at which consumers can access gas.
4 Do you agree with the suggested initial scope of the options?	Yes. The four broad options of a point to point, zonal, entry-exit or common carriage regime seem to cover all feasible options for transmission. We agree that from these options the structure of the products offered, pricing, and also scarcity allocation should be designed.
5 Do you consider that the process outlined above is appropriate?	Yes. Trustpower supports the GIC working on a regulatory alternative, however would like to ensure that the GIC is part of all discussions about the Code proposal, so that the Industry and the GIC are not working to solve the same problem in isolation. We believe that an all-inclusive approach to the Code redevelopment will be in the greater long term interests of the industry.