



# MAJOR ELECTRICITY USERS' GROUP

21 April 2006

Mr Ian Dempster  
Gas Industry Company  
By email to [info@gasindustry.co.nz](mailto:info@gasindustry.co.nz)

Dear Ian

## **Submission on Review of New Zealand Specification for reticulated Natural Gas**

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Gas Industry Company (GIC) consultation paper "*Review of New Zealand Specification for reticulated Natural Gas*" released 17 March 2006.

### **Interest of MEUG in Standards and Specifications of Natural Gas**

2. A significant number of MEUG members use reticulated natural gas (hereafter called "gas") at some stage of their production processes or in the co-generation of heat and power on their process sites. The quality and specific characteristics of the gas which is used in these processes is therefore an important consideration. While MEUG recognizes that gas producers would like to have "as wide a spec. as possible," users tend to prefer a more restricted standard.
3. In MEUG's opinion the existing standard NZS 5442:1999 along with its 2001 amendment generally meets the requirements of both producers and users. However it is important that the issue of future gas quality be reviewed periodically as the supplies of gas come from a wider range of gas fields and the inherent characteristics of the gas injected into the welded points vary.
4. MEUG has been advised that heavier fractions of natural gas (ie propane and butane) "may" not be extracted from gas supplies from the Pohokura field and this may lead to higher than usual calorific values being received by industrial users. Variability in the quality of gas supplies can have a negative impact on industrial gas turbines or other high temperature processes.
5. There also appears to be some potential for confusion between the provisions of the Gas Act and the specifications laid down in NZS 5442:1999. The Act defines "gas" to mean any fuel that is supplied through pipes or in containers and is a gas at a temperature of 15 degrees Celsius and an absolute pressure of 101.325 kilopascals; and includes biogas, coal gas, liquefied petroleum gas, natural gas, oil gas, producers gas, refinery gas, reformed natural gas and tempered liquefied petroleum gas, any gaseous substance that is declared a gas and "any mixture of gases." It would appear to MEUG that some further work is necessary to simply ensure that this wide definition does not cut across the users requirements.
6. MEUG notes that the consulting company employed by the GIC, i.e. Plant and Platform, identified three areas that were outside the scope of the narrow definition of gas specification that warranted further investigation - namely:

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- a) Detection and prevention of out of specification gas from entering the gas transmission system;
  - b) Prevention of step changes to the Wobbe Index for gas delivered to gas turbine and gas engine operators; and
  - c) Identification of swings in the Wobbe Index and the forewarning of gas turbine and gas engine operators.
7. MEUG concurs that these three areas require further attention. In respect of detecting and preventing out of "spec" gas from entering the pipelines it appears that the current arrangements amount to self policing or voluntary compliance. MEUG suggests that the GIC need to look at this issue. The monitoring arrangements and a compliance regime need consideration. The prevention of step changes and/or swings to the Wobbe Index also requires attention. These three issues acquire greater importance as the number, variety and range of gas suppliers inject gas into common pipelines.

**Responses to the five questions posed in the Report**

8. Refer attached appendix for responses to the questions in the consultation paper.

**Conclusion**

9. MEUG appreciates the opportunity to comment on the GIC paper. Nothing in this submission is confidential.

Yours sincerely



Terrence Currie  
Chair

**Appendix**

	<b>Question</b>	<b>Comment</b>
Q.01	What is your view of Plant and Platform's recommendation that the specification limits listed in Table 2 of NZS 5442:1999 do not need to be changed?	This recommendation is supported
Q.02	What is your view of Plant and Platform's recommendation that there is little value to be obtained by undertaking an in-depth, rigorous review of the specification because it would be a costly and time consuming exercise for stakeholders?	MEUG agrees there would be little value in undertaking an in depth review.
Q.03	What is your view of the recommendation by Plant and Platform that these are matters best left to the stakeholders concerned and that they have the appropriate commercial incentives to handle these matters most efficiently?	MEUG believes that the industry should continue to take an interest in gas specification issues. It also believes that on going monitoring is required and a compliance regime. There also appears to be some confusion between the provisions of the Gas Act and the requirements of NZS 5442:1999.
Q.04	If there are any matters you are aware of that have a bearing on the specification for reticulated natural gas and have not been considered by Plant and Platform please detail these together with their effect(s) on stakeholders.	See above, i.e. firstly there is a need for the elimination of any confusion between the Act and NZS5442. Also the requirements for monitoring, testing where necessary, and a compliance regime.
Q.05	Are there any changes that you are aware of, either recently or in the near future, that have not been accounted for in either NZS 5442 or on the report from Plant and Platform? If so, please provide detail on these.	