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Dear Ian

Response to GTAC Documents for Consultation

Methanex provides this document in response to the call for submissions on the materials provided by FGL during the consultation process on the proposed Gas Transmission Access Code (“GTAC”) including the latest draft of the GTAC (dated 11 September 2018) published on GICs website.

1. Methanex recognises that substantial improvements have been made to the proposed GTAC during the 2018 consultation process. The areas that Methanex considers that there has been improvements include:
 - Integrating interconnection arrangements into the GTAC regime.
 - Liability arrangements have been improved, although we consider the prospect for exclusion of injecting parties with Existing Interconnection Agreements from the back-to-back indemnity to be a major concern. We also remain of the view that the indemnity provided by FGL should be extended to Interconnected Parties as well as Shippers.
 - The new peaking regime is a significant improvement on the previous proposal to address peaking. However, we have issues related to the impact providing flexibility will have on increasing the risk of curtailment action.
 - Confidentiality provisions are improved.
 - The increase in the number of ID nominations cycles available reduces Methanex’ concern regarding the removal of Interconnected Party curtailment rights.

However, these improvements are by comparison with the previous draft of GTAC. In regard to whether GTAC is now materially better than MPOC, we consider that there remains a number of issues of concern.

2. Methanex, which is unique in many respects in terms of its use of the FGL network, believes that the transition from MPOC to GTAC will leave it in a materially disadvantaged position in the following areas.
 - (i) A design philosophy that has FGL providing increased flexibility for some users at no cost but at the same time with little obligation to actively mitigate the risk that providing such flexibility imposes upon other users.
 - (ii) The increased prospect of Methanex being curtailed where it is not causing or contributing to a pipeline issue, such as being curtailed when it is taking gas that is consistent with its nominations and is flowing at an even rate through the FGL system.
 - (iii) The prospect that where curtailment has been socialised there will be no means of compensation for compliant Shippers who find themselves being curtailed. This is a consequence of eliminating the Incentive Pool and the decision by FGL to remove the incentive fee rebating as an alternative compensation mechanism.
 - (iv) The prospects of Methanex rights and obligations becoming adversely affected by the rights and obligations of interconnected parties to Existing Interconnection Agreements who are not required to comply with the terms and conditions set out in the Code or Schedules. The lack of disclosure on this matter is particularly concerning and leaves Methanex unable to reasonably evaluate the risk.

ISSUE 1: CURTAILMENT RISKS

3. Many of the issues we have raised during the GTAC consultation process can be distilled into a single overarching concern, that is, the prospect of curtailments, which Methanex considers will be increased under GTAC, and more likely to be socialised than is the case for Shippers under MPOC.
4. The primary concern Methanex has with GTAC and FGLs operational philosophy is the prospect of increased socialised curtailments. This issue manifests itself in several respects:
 - (i) The prospect that TTP will be less closely managed by FGL, that FGL makes no commitment to pro-actively balance the pipeline toward a stable mid-point pressure or pressure range and will more readily resort to curtailment as its mechanism for maintaining and restoring TTP.
 - (ii) The absence of an analogue to Section 3 of MPOC in GTAC, and the very limited role seen for balancing gas transactions envisaged in the draft Balancing and Curtailment SOPs. This signals to Methanex a much greater readiness on the part of FGL to resort to curtailment, and socialised curtailment in particular.
 - (iii) The prospect of increased flexibility adding to the risk of Line Pack and TTP issues through:
 - A Running Mismatch Tolerance that is flexible and unconstrained on the upside.
 - The increased risk inherent in FGL providing for peaking tolerances and intra-day AHP nomination changes under the peaking regime.

- The impact of providing Park & Loan services on residual capacitance available in the pipeline to address emerging Line Pack or TTP issues.
 - Systematic imbalances and tolerances arising from the implementation of the Auto-nomination regime (eg inaccurate forecasting, opt-in/opt-out behaviour).
- (iv) Based on the draft Balancing SOP, Methanex interpretation is that FGL will only consider buying or selling balancing gas to address a Line Pack or TPP issue when the pipeline is already closely approaching the trigger point for socialised curtailment. Where no causer is identifiable the Curtailment SOPs contains no specific measures requiring FGL to consider buying or selling balancing gas before it embarks on socialised curtailment.
5. Methanex' sensitivity is heightened by the fact that it is unlikely to contribute to the underlying causes of imbalances but nevertheless may find itself the victim of socialised curtailments:
- Its plants have discrete, continuous and flat gas demand profiles that make it unlikely that Methanex will contribute to excessive imbalances;
 - By necessity Methanex closely coordinates the physical flow of gas from its suppliers with its own offtake rates; and
 - Curtailing gas flows will have immediate effects on its plant operations and very significant cost implications, of particular concern in circumstances where Methanex has not itself caused or contributed to curtailment action.
6. It should be noted that Methanex has no particular issue with FGL curtailing Shippers who are failing to reasonably match their nominations to actual flow.
7. However, the concern Methanex has is two-fold:
- (i) Where a causer can't be identified, or where targeting causers proves insufficient to resolve the problem, curtailment then becomes socialised, affecting non-causers as well as the actual causers.
 - (ii) We are concerned that FGLs willingness to provide flexibility to Shippers will inherently reduce the capacitance in the system and constrain FGLs ability to target causers to cope with pipeline issues. That is, the degree to which FGL itself may have precipitated a curtailment action through the decisions it makes in conditioning the pipeline for each day and the degree of flexibility, be it Running Mismatch Tolerance, Park & Loan or approving intra-day changes in nominations (particularly AHP nominations) during the day that will head the pipeline in one or other direction that increases the risk of a subsequent curtailment being necessary.
8. Given the increased flexibility that is available to some Shippers under GTAC, Methanex believes FGL has an increased responsibility to undertake pro-active balancing actions to reduce the risk of socialised curtailment.

ISSUE 2 – INCENTIVE FEE REBATING/INCENTIVE POOL

9. Methanex does not agree with FGLs decision to withdraw incentive fee rebating. Methanex supported the concept of incentive fee rebating as a mechanism to compensate Shippers who on average perform better at matching their gas flows to nominations than others and who

also may incur costs (including through curtailments) as a consequence of other parties failure to properly manage their imbalances. The overall cost of inaccurate nominations should rest with the causers and it is not a reasonable argument for some users to rely upon the characteristics of their particular loads or customers as a rationale for socialising those costs. Incentive fee rebating based on nominations provided a simple and reasonably effective mechanism for reallocating costs from causers to non-causers of pipeline imbalances.

10. If FGL holds to the decision to remove the incentive fee rebating mechanism Methanex considers that:
 - (i) Incentive fees should continue to be treated as revenue neutral and excluded from FGLs annual revenue forecasting.
 - (ii) The fees should be retained in a separate Pool, held in trust and separate from FGLs revenue;
 - (iii) That Pool should be available for parties who have claims arising from the costs of socialised curtailments where those parties are not the causers.
11. While there are complexities to address with operation of an Incentive Pool, none are insurmountable. However, given those complexities Methanex has come to the view that the model of incentive fee rebating initially proposed by FGL was the simplest and most effective method of achieving a similar outcome.

ISSUE 3 – INTERCONNECTED PARTIES EXCLUDED FROM CODE/NON-DISCLOSURE

12. Methanex remains deeply concerned by the prospect of Existing Interconnection Agreements being grandfathered and excluded from the terms of GTAC (including Schedule 5 and 6). This concern is exacerbated by the prospect of unilateral termination of MPOC ICAs.

13. Under GTAC:

“Existing Interconnection Agreement means an interconnection agreement in effect as at the date of this Code and which commenced or had a specified commencement date before the date of this Code, but excluding an interconnection agreement which terminated on termination of any code replaced by this Code;”

This means that not only are certain legacy interconnection agreements under the VTC excluded from the terms and conditions of the GTAC, but any ICAs that FGL might have negotiated or might be negotiated up to the effective date of the GTAC could also be excluded. Methanex considers that FGL could have removed this concern by making a commitment (or providing a warranty) that any ICAs it negotiates in the interim are required to comply with all the terms and conditions of GTAC (including Schedules 5 and 6).

14. The issue of excluded agreements may be intractable if FGL and GIC both remain committed to the concept of a single code across both pipeline systems and neither is willing to address the inequity inherent in the decision to grandfather VTC ICAs and at the same time provide for the unilateral termination of MPOC ICAs. It gives Methanex considerable concern that while under status quo those excluded arrangements would have continued to only impacts other VTC parties, under GTAC the impacts will become socialised across both VTC and MPOC pipeline users, potentially having adverse impacts on Methanex that would not exist for it under the status quo.

15. Our biggest concern on this matter relates to exclusion of certain Receipt Point interconnection agreements from the terms and conditions set out in Schedule 5, including in respect to Gas Quality, Liability (including the back-to-back indemnity on Non-Specification Gas), Curtailment, Metering obligations and Allocation arrangements. Compounding matters, Methanex can't evaluate the risk because of the level of non-disclosure.

ISSUE 4 – RUNNING MISMATCH TOLERANCE

16. We have considered this matter further and have formed the view that providing a minimum tolerance for each Shippers regardless of the size of their individual loads is open to manipulation. Nothing limits the number of Shippers that may be contracted to deliver gas to any particular end-user which allows the potential for tolerance to be captured as a consequence of aggregating the minimum allocation per Shipper over a number of Shippers, particularly if it is set as high as 400 GJ per Shipper. At that level, a relative modest number of small volume Shippers would quickly exhaust the available Line Pack, or require FGL to provide an excessive amount of Line Pack in support of Running Mismatch Tolerance. On that basis we recommend the minimum tolerance allowed per Shipper is reduced or eliminated.
17. Methanex is also concerned with there being insufficient definition of the upper limits of Running Mismatch Tolerance (when compared to MPOC) and the prospect that too much tolerance may be issued. Consequently, we propose that the amount of LPT_{RECEIPTS} and LPT_{DELIVERIES} made available are each specifically capped at not more than 7.5 TJ.
18. Methanex is concerned that some users may consider tolerance to be a flexibility tool and a means of socialising their own balancing risks. The potential for over-allocation and the emerging concern Methanex has that some stakeholders may seek larger than reasonable tolerances and discriminatory allocation of available tolerance, leads Methanex to the view that if there turns out to be less than reasonable behaviour in minimising mismatch it would support removal of Running Mismatch Tolerances entirely.

ISSUE 5 – LIABILITIES

19. While Methanex acknowledges that the revisions made to Liability (and related provisions) is an improvement against the original GTAC, including in regard to the treatment of non-specification gas, we continue to have some concerns with how the new provisions may play out in practice.
20. As the indemnity obligation is only imposed on Receipt Point Interconnected Parties that have a “new ICA” with FGL under Section 12.2(b) of the GTAC, we are concerned that the limitation of liability available to FGL in terms of its own exposure to liability pursuant to Section 16.6 of the GTAC makes the indemnity incomplete. This is particularly the case where FGL is the liable party but such liability arises due to the actions etc of another party under its ICA or TSA with FGL, then FGL is only liable to the extent it can recover from the relevant third party. There are the existing grandfathered VTC ICA's as well the possibility of further ICAs being negotiated before the effective date of the GTAC which will not be covered by Section 12.2(b) of GTAC and which may contain provisions (or omit provisions) that undermine the operation of the FGL indemnity (e.g. a total exclusion of third party claims). We are therefore concerned the indemnity regime for non-specification gas could be substantially undermined.

REVIEW OF POINTS RAISED BY METHANEX IN PAST SUBMISSIONS

In addition to the issues we discuss earlier in this submission, in the following Table we have highlighted issues raised by Methanex during the consultation process that merit further comment. The reference number used for each entry in the Table refers to the particular item number in the relevant submission.

Methanex submission dated 13 August 2018

	<i>What Methanex said</i>	<i>Updated position</i>
	INTERCONNECTION	
1-3	“there remains uncertainty as to the allocation of rights and obligations between and among Interconnected Parties that would have been resolved with more complete integration.”	Methanex has recognised the improvement in GTAC with incorporation of Schedule 5 and 6.
4 5	Methanex concern regarding Existing ICAs and Existing SAs	Refer to our comments in Issue 3
6	Omission of certain provisions from Schedule 5 and 6	After further consideration we have accepted the omission of certain provisions as essentially ‘boiler plate’. Some of the provisions we consider to be standard (notable examples are GST, Default Interest, Governing Law, timing of Notices) so we are somewhat surprised by FGLs resistance to incorporating them in the Schedules. In any event, we believe there is an onus on FGL to ensure that each ICA it negotiates does not vary those essentially standard terms other than for legitimate reasons.
	ALLOCATION	
8 9	Methanex had expected as an outcome from Workshop 1 that FGL would describe default allocation options and rules governing selection of alternative options in more detail in GTAC.	Methanex set out the criteria it believes should have been incorporated in the GTAC: <ul style="list-style-type: none"> (i) Setting out the available default allocation options; (ii) Providing a general prescription (rules) for those options; (iii) Setting out the principles that allocation rules should abide by; and (iv) Setting out the processes and criteria by which alternative options would be requested, considered and approved.

	<i>What Methanex said</i>	<i>Updated position</i>
		<p>We acknowledge the insertion of Section 3.1(b) in Schedule 4 is an improvement. We also accept that providing the necessary detail to address (i) and (ii) would have been difficult. However, we believe that more could have been provided by FGL particularly in respect to addressing (iii) and (iv).</p>
	TARGET TARANAKI PRESSURE	
11 12	<p>(a) More flexibility and relaxed FGL obligation increases risk of maintaining TTP within its limits;</p> <p>(b) Reduced commitment by FGL to pro-active balancing gas transactions increases the prospect for curtailment;</p> <p>(c) There is increased risk of curtailments affecting parties that have not caused or contributed to the underlying issue; and</p> <p>(d) No compensation for compliant parties suffering forced curtailments</p>	<p>We have addressed our fundamental concerns in Issue 1 and stand by the criticisms we have made in our past submissions of what we perceive to be a reduced commitment by FGL to keeping the pipeline in a state that supports the delivery of approved nominations and the consequential increase in risks that Methanex expect to face in its use of the Maui Pipeline under GTAC.</p> <p>We consider that FGLs insistence on reducing its TTP obligation in GTAC to a reasonable endeavours obligation results in an objectively inferior outcome to the absolute obligation (bounded by RPO) provided in MPOC. We consider that under MPOC (and missing from GTAC) there is a greater onus upon FGL as an RPO to undertake pro-active balancing gas transactions to support the delivery of approved nominations and to mitigate the risk of socialised curtailment.</p> <p>Unfortunately, regardless of whether FGLs obligation is absolute or reasonable endeavours, the result Methanex foresees under GTAC is that FGL will quickly move to curtailment whenever a TTP issue arises with insufficient consideration given to buying/selling balancing gas to prevent curtailments, particularly where those curtailments become socialised.</p> <p>We have addressed the matter of compensation/rebating mechanisms (part (d)) in Issue 2.</p>
13	<p>Balancing</p> <p>We support the FAP finding that FGL should specify the quantity of line pack that will be provided to Shippers and</p>	<p>We have discussed Running Mismatch Tolerances in detail in Issue 4</p>

	<i>What Methanex said</i>	<i>Updated position</i>
	<p>OBA Parties Running Mismatch Tolerance, and there should be clear constraints on its discretion.</p> <p>Methanex' primary concern is that by not providing clear parameters in the GTAC it remains uncertain as to whether the percentage tolerance settings in practice will be set unreasonably low, or conversely, and of more concern to Methanex, will allocate excessive amounts of available linepack and encourage inaccurate nominations.</p>	
	Section 8.5 – priority/hierarchy in respect to Line Pack management criteria	On further consideration Methanex accepts there does not need to be a priority order in Section 8.5. However, this does not derogate from its view that FGL has an RPO responsibility to undertake pro-active balancing actions in managing Line Pack and pipeline pressure where it can reasonably do so to minimise the risk of socialised curtailments.
	Section 8.6 – Circumstances where FGL may undertake balancing gas transactions	We continue to have serious concerns that FGL will resort to curtailment in situations where FGL pro-actively buying and selling balancing gas would be a more cost-effective response (given the costs of balancing gas are pass-through in any case) on behalf of compliant Shippers who would otherwise be faced with the prospect of more costly socialised curtailments.
14 15 16	Peaking Regime	<p>Methanex considers the peaking regime proposed by FGL to be an improvement over its previous proposal.</p> <p>Methanex nevertheless has the following concerns:</p> <p>(i) Acceptance of intra-day changes to AHP nominations will inevitably increase the risk of moving the pipeline towards Line Pack and TTP limits so we expect FGL to apply Section 3.31 rigorously (and particularly 3.31(e)).</p> <p>We note that that Section 3.31 goes some way to addressing the criteria that should be used by FGL to assess the impact of AHP nominations on Shippers with previously approved nominations, as well their effect on the state of line</p>

	<i>What Methanex said</i>	<i>Updated position</i>
		<p>pack and TTP, before approving those nominations.</p> <p>(ii) We continue to hold the view that the charging basis for exceeding the peaking tolerance should not be determined by location. That is, we believe the fee basis should be established in a similar way to ERM charging rather than basing it on DNC fees. We have two concerns in this regard:</p> <p>(a) The particular location to which a Peaking Party is moving gas (and consequently the size of its DNC charges for breaching its peaking tolerance) may unduly influence its incentive to remain within its tolerance.</p> <p>(b) At locations where there is the most risk of substantial imbalances arising through peaking, the peaking charge may be set too low to appropriately incentivise those Peaking Parties to remain within their already significant tolerance allowance.</p>
17	Nominations	Methanex considers that seven ID cycles and the continued availability of an Extra Nominations cycle is a significant improvement and alleviates much of the concern it had regarding the removal of Interconnected Party curtailment rights (per Section 15.2 of MPOC).
18	Auto-Nominations	<p>We do not think the implications of the proposal for auto-nominations has been sufficiently considered by FGL. Our biggest concern is the degree to which inaccuracy in the forecasting of the underlying loads and the ability for Shippers to opt-in/opt-out will add uncertainty to managing Line Pack and pressure and contribute to an increased risk of curtailments.</p> <p>We consider this to be another area where FGL has provided a flexibility tool to some Shippers that increases the risk of curtailment for other Shippers, and without FGL taking on any responsibility to mitigate the risk to those other Shippers.</p>

Methanex submission dated 3 September 2018

	<i>What Methanex said</i>	<i>Updated position</i>
4	Methanex remains concerned that the nominations provisions do not sufficiently describe the process for curtailing nominations in circumstances other than those set out under Congestion Management. This issue relates particularly to the processes for dealing with intra-day nomination requests where Line Pack or TTP is likely to, or will, exceed their limits.	See our comments in relation to Section 4.15 of GTAC in our detail drafting comments on page 12
9	Curtailment In general, we consider that the prospects for curtailments affecting compliant users is elevated in GTAC as a consequence of the increased flexibility being offered to Shippers and the reduced level of coordination between injections and offtakes	Discussed in detail in Issue 1
10	Peaking – Start-up/Shut-down Profiles	Methanex accepts that its previous recommendation of enabling Shippers to nominate ad hoc AHP nominations to match producer/end-user Start-up/Shut-down Profiles is unnecessary <u>provided that</u> FGL makes sufficient allowance in those situations for the uneven gas flows that arise as a consequence when it manages the pipeline to support the delivery of the approved nominations and notwithstanding the definition of Maximum Hourly Quantity that does not require FGL to transport gas for any Shipper at a rate greater than 1/16 of MDQ.

Methanex submission dated 12 September 2018

	<i>What Methanex said</i>	<i>Updated position</i>
p.1.1	Liabilities	We have addressed this in Issue 5
p.1.2	Termination and Confidentiality	Methanex has acknowledged changes made to Termination of GTAC have been improved.

	What Methanex said	Updated position
		Methanex also recognises improvements made to Confidentiality noting our residual concerns set out in further drafting suggestions (see page 14)
p.2.1	Code Change Request process	Methanex proposed suggested drafting to fix the issue with the timeframes allowed for making Change Requests. Methanex recognises that the alternative approach that has been taken by FGL achieves a similar result.

FURTHER DRAFTING SUGGESTIONS AND COMMENTS

GTAC

	Drafting Suggestion	Comment
3.29	<i>“Not less than once each Year, First Gas shall review whether each of the relevant gas producers or End-users continue to satisfy the criteria set out in section 3.28 and whether there are any other users (or potential users) of the Transmission System who do, or may, satisfy such criteria. First Gas shall publish on OATIS a list of gas producers, and End-users <u>and the relevant Interconnection Points</u> served by a Peaking Party no later than three months prior to the date of this Code and three Months prior to the start of each Year thereafter (and shall update it as required). Each Shipper shall promptly notify First Gas if it supplies, or proposes to supply, Gas to an End-User that meets, or may meet, the requirements of section 3.28. First Gas shall give written notice to a Peaking Party if it ceases to be a Peaking Party.”</i>	This is a minor point but Shippers will also need to know the Interconnection Points at which they will considered to be Peaking Parties.
3.33	Target Taranaki Pressure	TTP management issues addressed in our main submission points
4.14	<i>“.....analyse Shippers’ NQs and Shippers’ NQs approved by Interconnected Parties as required (including Shippers’ AHPs as applicable), and via OATIS notify each Shipper <u>and the relevant Interconnected Party that approves its NQ pursuant to section 4.12 and 4.13</u>, of its Approved NQs (being that Shipper’s DNC) and also whether there is, or is expected to be, Congestion at a Delivery Point.”</i>	Interconnected Parties with OBAs (or otherwise per Section 4.12) that are confirming NQs should also be informed of the outcome of 4.14, particularly where FGLs Approved NQs may differ from the Interconnected Parties Proposed Scheduled Quantity.

	Drafting Suggestion	Comment
4.15	FGL approval of nomination changes	Methanex remains concerned with the insufficient specification of the criteria and processes for FGL approving nomination changes. FGL has addressed the issues in respect to AHP nominations in Section 3.31 but has not addressed them for nominations generally in Section 4.15 (unless there is Congestion or curtailment is actually required).
7.13	ICA – treatment of Bi-directional Points is cursory	<p>We are concerned that the operation of Bi-directional Point is not well described with the reference in 7.13(c) providing insufficient detail.</p> <p>Questions we have include:</p> <ul style="list-style-type: none"> • Can Receipt Quantities and Delivery Quantities be nominated for at the same time at a Bi-directional Point under GTAC? • How is gas allocated at a Bi-direction Point under GTAC, is it by Gas Transfer Agreement or Allocation Agreement, or both? <p>An additional area of uncertainty Methanex has relates to how the Ngatimaru Road interconnection point will be operated under GTAC, given that gas needs to continue to be able to flow (and be deemed to be measured) in both directions at the physical interface between the third-party pipeline¹ and the FGL pipeline. Methanex expects, and seeks confirmation from FGL and GIC, that its rights to have gas delivered to its plants from the Ngatimaru Road (Delivery) Point, as well as from Delivery Points at Bertrand Road and Faull Road where it is the Welded Party under MPOC, will not be prejudiced by termination of the MPOC and related ICAs through the operation of Section 22.16 of MPOC.</p>
9.3	<i>"First Gas may carry out unscheduled Maintenance, including in relation to events referred to in section 9.1(a), (b) or (c), as may be necessary, <u>and will publicly notify that unscheduled Maintenance in OATIS, qivingprovided that it gives each affected Shipper</u> as much notice as is reasonably practicable in</i>	Methanex does not consider there should be a distinction between notifications given publicly for scheduled Maintenance in Section 9.2 and those given under Section 9.3 (suggested mark-up applies same text used in Section 9.2).

¹ The pipeline connecting to FGLs pipeline is owned by Energy Infrastructure Limited and Petroleum Infrastructure Limited who are together the Welded Party with respect to the MPOC Interconnection Agreement for both Ngatimaru Road (Receipt) and Ngatimaru Road (Delivery) Welded Points. Methanex uses the Ngatimaru Road (Delivery) Welded Point to deliver gas to its Motunui plant.

	Drafting Suggestion	Comment
	<i>each case.”</i>	
9.6	Shut down profiles as part of OFO	<p>We have considered the provision of shut-down profiles carefully and recognise the difficulty of applying a universal standard at interconnection points under GTAC that aligns with CCO profiles given they only relate to certain end-users.</p> <p>Nevertheless, Methanex has a single safe and reliable shut-down profile for each of its plants (ie the profile Methanex has provided to CCO as part of its approved Critical Processing Designation) so we consider that as an RPO, FGL should apply the same profile the purposes of a Methanex plant shut down triggered under Section 9 of GTAC or Section 9 of Schedule 6.</p>
11	Deletion of ERM rebating	We have addressed our concerns in Issue 2

Schedule 5 and 6

	<p>Schedule 5, Section 6.11 <i>“First Gas mayshall disclose any exceptions to the testing frequencies set out in section 6.10 to any other person, including by publishing that information on OATIS.”</i></p>	Publication should be a required disclosure, replace “may” with “shall”
	<p>Schedule 5, Section 6.12 <i>“Where it also produces the gas it injects, the Interconnected Party shall at its cost test for each of the components (e) to (h) in section 6.10 following any material change in the source <u>or composition</u> of its gas, including in the proportions of gas obtained from any new reservoir and/or production zones in any reservoir.”</i></p>	
	<p>Schedule 5, Section 6.16 <i>“The Interconnected Party shall on request promptly provide First Gas with copies of any data from monitoring, measuring or testing of gas undertaken pursuant to this section 6, including for a period of up to 5 years prior to the date of the request. First Gas mayshall disclose such information to any other person, including by publishing that information on OATIS.”</i></p>	Publication should be a required disclosure, replace “may” with “shall”
	Schedule 6, Section 9.7	See our comments in relation to Section 9.6 of GTAC

	<p>Schedule 5, Section 19.4 Schedule 6, Section 19.8 <i>(e) this Agreement or the Code contemplates or requires the disclosure or provision of the information (or information or analysis derived from such information) on OATIS or otherwise contemplates or requires the disclosure of such information;</i></p>	<p>We question the use of “contemplates”</p> <p>The basis for disclosure under Section 19.4(e) should only be where a requirement for disclosure is explicit. The reason for setting out the situations where a Party may disclose information (without consent) is to remove ambiguity or the prospect of uncertain interpretation of “contemplates”.</p>
	<p>Schedule 5 and 6, Section 19 generally</p>	<p>In terms of the Confidentiality provisions provided for Interconnected Parties generally we consider that they should also be given the benefit of the additional provisions in GTAC (Sections 20.4 to 20.8). Interconnected Parties have just as much right for the protections afforded by those provisions as Shippers.</p>