Appendix A: Recommended Format for Submissions

To assist the Gas Industry Co in the orderly and efficient consideration of stakeholders' responses, a suggested format for submissions has been prepared. This is drawn from the questions posed throughout the body of this consultation document.

Respondents are also free to include other material in their responses.

Submission from: NZX - Stuart Turner

Questions	Comments
Q1: Do you agree with regulatory objective for the component of the Wholesale Market work stream? If not, what objective should the Gas Industry Co be considering?	
Q2: Do you agree with the general approach to assessing the different options using both quantitative and qualitative criteria? If not, what alternative approach, that also complies with the Gas Act, would you suggest?	
Q3: Are there other time horizons that should be considered for the trading of gas? If so, what are those time horizons?	
Q4: Are there any other reasonably practicable alternatives for longer term trading of gas that should be considered and if so, what are they?	
Q5: Are you satisfied with this evaluation of options for longer term trading of gas, and if not, what aspects would you alter and why?	

Questions	Comments
Q6: Do you agree that there is no case for formalising arrangements for longer term trading of gas to improve transactional efficiency? If not, what alternative do you prefer and why?	
Q7: Are there any other options that should be considered for short term gas trading, and if so, what are the options?	
Q8: Are you satisfied with the qualitative assessment of short term trading options? If not, what aspects would you change and why?	
Q9: Do you agree that the standard contract should allow for both types of approaches? If not, what would you prefer and why?	
Q10: Do you agree that the standard contract should not provide for price adjustments for taxes and government charges? If not, what changes would you prefer and why?	
Q11: Are you satisfied with the proposed approach for addressing s.41 of the Crown Minerals Act in the standard contract? If not, what alternative would you prefer and why?	
Q12: Do you agree that the standard contract should not provide for any conditions precedent? If not, what alternative would you prefer and why?	

Questions	Comments
Q13: Do you agree that the standard contract should not make seller liable for gas specification? If not, what alternative would you prefer and why?	
Q14: Do you agree that the standard contract should not provide for any priority rights? If not, what alternative would you prefer and why?	
Q15: Do you agree that the standard contract should set out a broad description of the transport obligations/rights on buyer and seller? If not, what alternative would you prefer and why?	
Q16: Do you agree that the standard contract should have liability provisions that exclude indirect losses, and that direct losses (in equivalent $/GJ terms) would be capped at the pipeline mismatch/imbalance price? If not, what alternative would you prefer and why?	
Q17: Do you agree that the standard contract should have FM provisions based on the principle that for very short term trades FM cannot be invoked unless balancing has been suspended – i.e. curtailment is occurring? If not, what alternative would you prefer and why?	
Q18: Do you agree with the proposed dispute resolution provisions for the standard contract? If not, what alternative would you prefer and why?	

Questions	Comments
Q19: Do you agree that the standard contract should provide a standard assignment provision? If not, what alternative would you prefer and why?	
Q20: Do you agree that the Gas Industry Co should make the standard contract available for use (once the feedback from this discussion paper has been considered and incorporated)? If not, what alternative path forward would you prefer and why?	
Q21: Do you agree that a platform should extend the compliance regime being developed by the Gas Industry Co in order to keep costs to a minimum? If not, what alternative would you prefer and why?	
Q22: Do you agree that the preferred approach to prudential management is the white-list? If not, what alternative would you prefer and why?	The White list is a workable situation and technology is available to only allow trading with a participant on your list. This list can either be updated daily or trade by trade dynamically. However, to encourage non-physical players a fully cleared market with central counter-party would be preferable.
Q23: Do you agree that the platform should allow participants to nominate their preferred location for making offers or bids (provided this does not add undue cost to a platform development)? If not, what alternative would you prefer and why?	Other successful markets have the concept of a notional balacing point for trading. The adoption of such a concept in New Zealand would be positive for liquidity.
Q24: Do you consider the indicative cost ranges for the matching platform to be reasonable? If not, what amendments would you propose and why?	

Questions	Comments
Q25: Do you consider the indicative benefit ranges for the matching platform to be reasonable? If not, what amendments would you propose and why?	
Q26: Do you support the conclusion that it would be reasonable to proceed with development of a matching platform, provided it can be progressed at modest cost? If not, what path forward would you propose and why?	Yes, but ensure that any solution chosen could easily grow into a full trading platform in the future.
Q27: Do you consider the indicative cost ranges for the trading platform to be reasonable? If not, what amendments would you propose and why?	It apprears very expensive in our experience. On the condition that there is a system operator in place, a system to allow trading up to gate closure could be built for substantially less than indicated.
Q28: Do you consider the indicative benefit ranges for the trading platform to be reasonable? If not, what amendments would you propose and why?	
Q29: Do you support the conclusion that it would be risky to proceed with development of a trading platform due to uncertainty over net benefits, but that it would be worthwhile to seek to narrow the uncertainties, and in particular to examine the costs and benefits of making the pipeline imbalance pricing mechanisms more responsive and dynamic? If not, what conclusion would you draw and why?	It would be prefereable to butld the matching platform at this stage and then evolve inot a complete trading platform once there is more certainty.
Q30: Do you consider the quantitative assessment methodology to be reasonable? If not, what amendments would you propose and why?	