



**SWIFT ENERGY NEW ZEALAND LTD**

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Gas Industry Company Limited  
Level 9, State Insurance Tower  
P O Box 10 646  
Wellington

**Attention: Ian Dempster**

Dear Sir

**Review of New Zealand Specification for Natural Reticulated Gas**

Please find attached Swift Energy's submission to the Gas Industry Company's consultation document regarding the above.

Yours faithfully

Chris Bush  
*Vice-President Facilities*

QUESTION	COMMENT
<p>Q01 What is your view of Plant and Platform's recommendation that the specification limits listed in Table 2 of NZS5442:1999 do not need to be changed?</p>	<p>The report addresses a wide range of issues related to the NZ gas specification and has a fairly balanced assessment of the technical issues. However, the report appears to have been written with little regard to the Government's overall policy objective for the gas industry:  <i>"To ensure that gas is delivered to existing and new customer in a safe, efficient, fair, reliable, and environmentally sustainable manner."</i></p> <p>In this regard, we submit that the NZ gas specification should be set as wide as possible (particularly in respect to Wobbe Number), subject to ensuring that consumer's health and safety will not be jeopardized if the gas properties change from one end of the quality spectrum to the other. This condition is dependent on an assessment of the consumer appliance capabilities, which has not been undertaken in the P&amp;P report.</p> <p>A wide range specification will allow efficient use of NZ's natural resources and minimize the costs associated with treating the gas to meet a narrow specification.</p>
<p>Q02 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?</p>	<p>See comments above. The report states that a comparison of NZS5442 versus some other international specifications has been undertaken, however no specific data is provided. For completeness, this should be rectified.</p>
<p>Q03 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?</p>	<p>We agree that step changes in Wobbe number are an issue for the industry, however given the "stringy" nature of NZ's gas reticulation system and relatively small demand in some areas, composition swings will always be an issue. Large customers are better equipped than most to invest in technology and systems to mitigate the effects of compositional swings. (Note: Synfuel/Methanex are a good example of this. Although highly undesirable, they were able to mitigate the effects of a swing from Maui/Kapuni mixed gas to either straight Maui (Wobbe=49) or LTS Kapuni (Wobbe=26) – technical solutions to changing CV are possible).</p>
<p>Q04 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.</p>	<p>No additional comments.</p>

QUESTION	COMMENT
<p>Q05 Are there any changes that you are aware of, either recently or in the near future, that have not been accounted for in either NZS5442, or on the report from Plant and Platform? If so, please provide detail on these.</p>	<p>No additional comments.</p>