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Dear Paul

Cross-Submission on the GIC's Options for Information Disclosure in the Wholesale Gas Sector

Introduction

1. This is Vector Limited's (Vector) cross-submission on the Gas Industry Company's (GIC) *Options for Information Disclosure in the Wholesale Gas Sector* (Options Paper), released on 6 March 2019, and submissions on which were published on 3 May 2019.
2. No part of this submission is confidential. Vector's contact person for this submission is:

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Disclosure of outage information in the wholesale gas sector

Widespread support for the disclosure of planned and unplanned outage information

3. Vector supports the view expressed by most submitters on the urgent need for information on planned and unplanned outages in the wholesale gas sector to be disclosed. This would improve transparency, allowing industry participants to make better informed decisions.
4. This is consistent with the outcome of the workshop on the GIC's proposed options on 27 March 2019.

A two-stage approach

5. Given the strong support for the disclosure of planned and unplanned outage information, we reiterate our recommendation to develop an information disclosure regime for the wholesale gas sector in two stages. The first stage can be focused on the disclosure of outage information as a matter of priority. This will enable the delivery of immediate benefits for industry participants and consumers at low cost.
6. A two-stage approach will avoid delays associated with the more contentious nature of non-outage and other information such as volumes and prices. Such information can be considered during the second stage of this work.
7. We agree with submitters who support a regulated approach for the disclosure of planned and unplanned outage information for the reasons stated in our submission on the Options Paper:

While Vector generally supports non-regulated solutions, such as the approach adopted in the recent development of a single Gas Transmission Access Code (GTAC), we believe the

efficiency of a regulated solution for the disclosure of information – where timeliness and symmetric access are of the essence – outweighs any drawbacks.

A voluntary approach for information disclosure will not remove the risk that one or more parties will not disclose all or some of the information required, or not disclose the information in a timely manner. It defeats the purpose of ensuring all potentially affected market participants will have access to the same information at the same time.

Importantly, issues around confidentiality and commercial sensitivity of some types of information can largely be avoided under a regulated approach. This insulates industry participants from potentially drawn-out dispute resolution processes and delays in the delivery of the benefits of information disclosure.

In our view, the greater degree of intrusiveness associated with a regulated approach can be mitigated by determining a tight set of well-defined planned and unplanned outage information that must be disclosed by those who generate it in a uniform and efficient manner.

8. Regulatory intrusiveness can be further mitigated by developing specific disclosure requirements alongside principles-based disclosure under a regulated approach, where doing so would avoid unnecessary compliance costs or unintended consequences. For example, a set of principles could guide the setting of disclosure thresholds, but the disclosure of information that meets the threshold must be made.

Timeframe of planned outages for disclosure

9. A few submitters suggested that the relevant parties disclose a 12-month schedule of their planned outages. We find this proposal to be reasonable. It will provide industry participants sufficient time to make the necessary arrangements to better respond to known outages, including these into their business planning.
10. We suggest that the above information be updated by the party that disclosed it as significant developments arise, e.g. a change in the schedule or the intended duration of any planned outage.

Gas quality information disclosure

11. As indicated in our submission on the Options Paper, we support the inclusion of gas quality in any proposed information disclosure arrangements for the wholesale gas sector. This is specifically in relation to the requirement for timely notifications about excursions from the gas specification standards, which can have detrimental impact on the quality of delivered gas, asset lives, and importantly, consumer safety.

Concluding comment

12. We are happy to discuss any aspects of this cross-submission with the GIC.

Yours sincerely
For and on behalf of Vector Limited

A handwritten signature in blue ink, appearing to read "Richard Sharp".

Richard Sharp
Head of Pricing and Regulatory Compliance