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Submission on the GIC's Proposed Role in GTAC Code Changes

Introduction

1. This is Vector Limited's (Vector) submission on the Gas Industry Company's (GIC) consultation paper, *Gas Industry Co role in GTAC code changes*, dated May 2019.
2. We find the potential 10-month timeframe for processing a Gas Transmission Access Code (GTAC) change request to be lengthy, even for a complex code change request. We suggest alternative options below.
3. No part of this submission is confidential. Vector's contact person for this submission is:

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Proposed alternative options

4. The GIC's proposed full change request process effectively combines the change request processes of the Vector Transmission Code (VTC) and the Maui Pipeline Operating Code (MPOC). This results in a timeframe that is too long (i.e. longer than either the VTC or MPOC change request process), including potentially redundant consultation steps.
5. We suggest that the GIC consider the following options that could streamline the proposed full change request process. Any of these options provide for substantial consultation to be undertaken either before a code change request is submitted to the GIC, or when the GIC is considering a change request, but not during both stages. This will significantly reduce the timeframe required under a full change request process.
 - a. **Option 1:** Incorporate the voting arrangements in the VTC into the proposed GIC full change request process. We note that whilst the GTAC does allow for a change request to be adopted if all the signatories agree, there is in fact no mechanism within the GTAC to determine full support for a change request, i.e. there is no voting mechanism.

If a change request meets the 75% threshold for it to be adopted (as under the VTC), then the GIC would only consider if the change request meets the objectives of the *Gas Act 1992* (the Gas Act) and the *Government Policy Statement on Gas Governance* (GPS).

Given that the GTAC change request process allows for a full consultation of a change request during the redrafting stage, we do not believe that the GIC needs to reopen discussions on that change request via a 2-stage consultation process. Doing this will

substantially reduce overall processing time, particularly for complex code change requests.

We believe that voting for a change request could be done parallel to the GIC's assessment of the change request against the Gas Act and GPS objectives. This could potentially shorten the GIC's process to between 4 to 6 weeks.

- b. **Option 2:** Roll the drafting process into the GIC's full change request process, rather than prior to a code change request being submitted to the GIC. This would ensure that stakeholders can consider a well-developed proposal during the first consultation, which can then be refined, as necessary, prior to the final consultation.
- c. **Option 3:** Simply adopt the MPOC process where the GIC undertakes a consultation on a code change request and approves or rejects it in its entirety, following an assessment of whether it is consistent with the Gas Act and GPS objectives.

Concluding comments

- 6. Ultimately, given that the GIC's opinion on any GTAC change request will be based on its determination of whether it is consistent with the Gas Act and GPS objectives (not on its commercial implications), Vector's preference would be for the GIC to adopt Option 1 above.
- 7. We are happy to discuss this submission with the GIC.

Yours sincerely
For and on behalf of Vector Limited



Richard Sharp
Head of Pricing and Regulatory Compliance