

Ref.	Note	GIC question	Contact's response
5.5	Retain the current arrangement whereby consumers with back-up supplies are curtailed before consumers without back-up supplies.	1 Do you agree that consumers with back-up supplies should continue to be curtailed before those without back-up supplies or do you consider that the possible loss of investment efficiency outweighs the possible short-run costs of from inefficient curtailment?	<p>1 In Contact's view, the differentiation should be removed as the process penalises customers who have taken steps to mitigate their risk by installing back-up supplies.</p> <p>Additionally, the Concept report suggests it would be unlikely that one band would be curtailed and not the other. For Contact this raises the question of whether having two bands causes unnecessary data management and inefficiencies for little gain.</p>
5.7	The existing Regulation 47 is reviewed with the aim of ensuring that it is used to deal with health and safety risks only under exceptional circumstances, while maintaining incentives on consumers to consider and manage health and safety risks more generally.	2 Given that employers have clear obligations to maintain safe work-places, do you agree that Regulation 47 should be clarified to ensure that its application is restricted to exceptional circumstances?	2 Contact does not agree that Regulation 47 should be clarified further. Contact is not in a position to determine or question how exceptional circumstances are. However, there could be a requirement to have such status reviewed after an event.
5.8	The Regulations are amended to either: a. allow band 6 consumers to apply for "critical care" ESP designations; b. provide for band 6 and band 7 to be given equal priority in terms of curtailment and restoration; or c. allow band 6 consumers to "self-select" ESP status during a gas contingency.	<p>3 Do you consider that small (<2TJ pa) "critical care" consumers should be eligible for ESP status and only required to curtail as a "last resort"?</p> <p>4 What is the best mechanism for achieving this outcome?</p> <p>5 Would you support a "self-select" ESP mechanism for small (<2TJ) consumers if it was possible to modify the compliance arrangements and enforce compliance more readily?</p>	<p>3 Identifying these customers would be very difficult and would effectively require retailers to contact every band 6 consumer and provide them with the opportunity to apply (on an ongoing basis). Additionally, if the recommendation for an industry body approving ESP designation goes ahead then this would cause far more applications to be submitted for approval.</p> <p>4 In Contact's view, the best mechanism for achieving this outcome is to combine band 6 and new band 7 with domestic consumers and use other avenues of notice, i.e. the media, as per our initial discussions with Concept and the GIC. Contact believes band 6 should be managed outside of the CCM regulations and in line with domestic consumers. The Concept report notes that these customers only make up 4% of the load pre-contingency and 34% once bands 0–4 are shed. This 34% is based on</p>

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			<p>the assumption that all other bands have complied with the request to curtail load. History suggests this to be unlikely. The time and resource spent on attempting to contact band 6 could be better utilised in ensuring curtailment by the larger customers.</p> <p>5 No, Contact would not support a self-select ESP mechanism. This would cause confusion, complications and would be difficult to police.</p>
5.9	<p>The Regulations are amended to remove the reference in 44(3) to the Schedule of the National Civil Defence Emergency Management Plan Order 2005 and incorporate specific criteria relating to “critical care services“, “essential food production“, “environmental protection“, and “minimum supply to preserve economic activity“.</p>	<p>6 Do you agree that the reference to the NCDEMP Order should be replaced with more specific criteria?</p> <p>7 What categories do you consider should be eligible for ESP designation, and how would you rank these in order of importance</p>	<p>6 Contact agrees the NCDEMP should be replaced with more specific criteria. Our main concern is that the list contained within the NCDEMP is too open to different interpretations. Further clarification in particular is required regarding what constitutes essential food production, e.g. milk input/output.</p> <p>7 Categories that should be eligible for ESP designation in order from least to most important:</p> <ul style="list-style-type: none"> • Minimum supplies to avoid substantial economic cost • Environmental protection • Essential food preparation • Maintenance of law and order, and preservation of governance (continuity of the machinery of government) • Critical care services (as outlined above, Contact believes that these customers and <2TJ customers should be treated the same as domestic consumers and sit outside of the regulations)
5.9	<p>The Regulations are amended to require that all designations as an ESP must specify a</p>	<p>8 Where consumers are designated as ESPs what level of gas supply should be allowed during a critical contingency?</p>	<p>8 In Contact's view, a single figure would be difficult to determine, as each consumer's circumstances are</p>

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	<p>minimum load that is considered "essential". Under most circumstances this would be expected to be less than normal gas consumption.</p>		<p>unique. Furthermore, the proposal fails to take account of seasonality and that when a contingency occurs it is the daily consumption for each consumer at the time of the contingency that is most important and not the annual consumption as provided to the CCO under Regulation 39.</p> <p>As consumers <10TJ have non-daily metering, it is impractical to designate a minimal level of gas supply which is relevant. Additionally it would cause complications and potentially inaccurate information when Retailer Compliance Update forms are completed.</p> <p>It would be more practical for those customers wishing to be designated as an ESP to provide the minimum and maximum gas load requirements as well as any seasonal gas use requirements.</p>
<p>5.9</p>	<p>Schedule 2 (the curtailment schedule) to the Regulations is amended to replace the current band 5 with bands 5a (minimum supplies to avoid substantial economic costs), 5b (minimum supplies for essential food preparation and environmental protection), and band 7 (critical care services).</p>	<p>9 What sequence of curtailing gas supplies during a critical contingency do you consider to be appropriate and why?</p>	<p>9 As per question 7, from least to most important:</p> <ul style="list-style-type: none"> • Minimum supplies to avoid substantial economic cost • Environmental protection • Essential food preparation • Maintenance of law and order, and preservation of governance (continuity of the machinery of government) • Critical care services
<p>5.9</p>	<p>The Regulations are amended to require consumers who wish to be designated as ESP to supply information on the essential nature of the service, any back-up supply arrangements in place or the reasons why back-up supply arrangements are not feasible, the minimum supply necessary to maintain the service, and emergency arrangements for coping with full loss of supply (including emergency stores and other back-up</p>	<p>10 What information should potential ESPs be required to provide in support of an application?</p> <p>11 Do you agree that potential ESPs should be required to demonstrate that they have considered back-up supply arrangements?</p>	<p>10 Consumers wishing to be classified as ESPs should be required to provide a detailed explanation of their services to support their application.</p> <p>11 It may be possible for ESPs to demonstrate that they have considered back-up arrangements, but there is no relevant process to deal with this.</p>

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	arrangements necessary to survive a gas outage).		
5.10	Retain flexibility to approve ESPs and MLCs during a contingency, but limit this to exceptional circumstances, and ensure that the arrangements encourage retailers and consumers to prepare in advance.	12 Do you agree that the flexibility to approve ESP and MLC designations during a contingency should be retained but limited to exceptional circumstances?	<p>12 While Contact recognises there may be exceptional circumstances where this is required, any application would need to be administered strictly, in order to ensure a level playing field for consumers and retailers.</p> <p>In our view, it is up to retailers to ensure their data is accurate at all times and it should be only in very rare circumstances that reassignment is required during a contingency.</p>
5.11	The Regulations are amended to require consumers who wish to be designated as MLC to supply information on the rationale (e.g. probable damage to plant), the economic costs involved with loss of supply, any back-up supply arrangements in place or the reasons why back-up supply arrangements are not feasible, the minimum supply arrangements necessary to avoid damage to plant, and emergency arrangements for coping with full loss of supply (including emergency stores and other back-up arrangements necessary to survive a gas outage).	<p>13 What information should potential MLCs be required to provide in support of an application?</p> <p>14 Do you agree that potential MLCs should be required to demonstrate that they have considered back-up supply arrangements?</p>	<p>13 Given MLCs should only be relevant to large daily-metered consumers, they should be required to provide minimum daily usage in order to mitigate the problem that arises from 100% load curtailment.</p> <p>14 Yes.</p>
5.12	The existing arrangements whereby band 6 customers are required to curtail demand is retained, rather than replaced with a requirement for a public appeal for savings;	15 What is the most appropriate mechanism for curtailing gas demand from small customers (<2TJ pa) during a critical contingency – curtailment directions, a public appeal for savings, or both?	15 Contact is strongly of the view that there is little benefit in including band 6 in the curtailment directions. In Contact's view, a public appeal for savings would be more effective and practical. Whereas larger consumers tend to already be aware of their obligations (and have staff members designated to be contacted during an event, who understand what is required), it is virtually impossible to monitor compliance at the <2TJ level. Customers are generally unsure of what to do and often turn off their supply valve, self-disconnecting their supply. This creates the additional complication of having to re-light pilots.

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			<p>Contacting these customers individually is unnecessarily onerous.</p> <p>Small commercial (<2TJ) and domestic customers should be treated in the same way. The most practical and effective channel to achieve a timely response would be through media releases which have clear messaging requesting voluntary reductions in gas usage or complete curtailment of gas usage (but requesting consumers do not turn off the gas supply valve at the meter).</p> <p>Again in Contact's view, resource would be better spent ensuring the larger customers have complied with the direction to curtail load rather than attempting to contact small consumers.</p>
6.1	The Regulations are amended to provide an on-going obligation on retailers to notify consumers about the possibility of loss of supply and the opportunity to apply for ESP and/or MLC designation	16 Do you agree the "one-off" obligation in r39 should be replaced by an on-going obligation for retailers to notify consumers and work with them on contingency plans?	<p>16 We agree the emphasis should be on ensuring consumers are educated and prepared, possibly through a common flyer for all >2TJ consumers.</p> <p>Regulation 39 would be more relevant if the information for the >2TJ curtailment bands was split into winter (July) and summer (February) daily average consumption (updated every 6 months to accommodate churn). In our view, annual consumption is limited for planning and responding to a contingency event.</p>
6.1	The Regulations are amended to clarify that each consumer installation should be separately identified and allocated to a curtailment band based on the characteristics of each installation (rather than aggregating multi-site consumers).	17 Do you agree that the regulations need to be amended to clarify that each consumer installation (ICP) should be separately identified and allocated to a curtailment band?	17 In our view, this should be the case already.
6.1	The Gas (Switching Arrangements) Rules 2008 are amended to provide for retailers to maintain the	18 Who should maintain the "load shedding category" in the registry: distributors or retailers?	18 There is some merit in transferring responsibility of

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	"load shedding category".		this field to retailers. The main purpose of having this as a distributor field was to ensure consistency and fairness across retailers (as set out in most UoSAs), but that obligation or right seems to have been neglected.
6.1	Further consideration is given to the need for an independent audit of the registry fields in order to assess the accuracy of the consumer curtailment designations.	19 Is an independent audit of the "load shedding category" registry field necessary at this point or is it feasible to rely on improved processes to enhance accuracy? Should this registry field be audited at regular intervals to promote accuracy?	19 Yes, an independent audit of "load shed category" registry fields is necessary. We have found a number of gained sites have incorrect information based on load size, end use and business / residential splits. Some distributors do not actively maintain this field and if an incorrect band is in place this would be transferred during the switch.
6.2	The Regulations are amended to require all MLC and ESP designations to be approved by an independent body, following a recommendation from a retailer. Retailers would retain responsibility to interface with consumers over possible designations, assist with preparation of applications, and to make recommendations to the independent approving body.	20 Who should approve MLC and ESP designations and what should the role of retailers be in this process?	20 The GIC or an independent body should approve MLC and ESP designations. Retailers should approve their initial application and only submit them where valid information is provided.
6.2	Further consideration is given to whether the independent approving body should be Gas Industry Co or an independent panel established for the purpose.	21 If you agree that an independent body should provide final approval, how should that body be constituted?	21 If there is an independent body, it should be the distributor, consistent with most UoSAs, provided there are clear guidelines to be followed. There is no need to add further cost to the industry by appointing another body to approve MLC and ESP designations. If, however, the distributor wishes to engage a third party to perform approvals for their network then there should be no barrier to that.
6.3	The Regulations are amended to require retailers to prepare, submit for approval by an independent approving body, and maintain a "Gas Retailer Curtailment Plan" that identifies the	22 Do you agree that retailers should be required to prepare a "Gas Retailer Curtailment Plan" and have it approved? 23 What degree of detail should be included in a "Gas Retailer	22 Yes. Contact already has this in place. 23 A plan should contain all relevant processes required to manage the information exchange between the CCO,

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	<p>consumers in each band, provides evidence that all consumers have been contacted about the possible need to curtail gas demand during a contingency, and the possibility of being designated as ESP or MLC, provides a process for maintaining the consumer lists, provides a process for contacting consumers to issue curtailment directions following the declaration of a contingency, and reporting on compliance to TSOs</p>	<p>Curtailment Plan”?</p> <p>24 Who should approve a “Gas Retailer Curtailment Plan”?</p>	<p>retailers, distributors and end consumers. It should also contain templates for all relevant TSO-retailer information exchange documents, as well as perhaps a standard template to be used by all retailers when communicating with customers to ensure the same message is being provided regardless of supplier.</p> <p>24 A “Gas Retailer Curtailment Plan” should be approved by the CCO or GIC.</p>
<p>6.3</p>	<p>Further consideration is given to the best means to ensure that the CCO has appropriate access to consumer seasonal or daily consumption data to facilitate analysis and planning during a contingency.</p>	<p>25 What is the best means for the CCO to access consumer seasonal or daily consumption data to facilitate analysis and planning during a contingency?</p>	<p>25 Contact agrees this information should be more granular and contain useful information, such as average daily GJ in winter (July) and summer (February), in place of annual GJ. A supplementary file could also be provided containing the highest daily consumption in both periods.</p> <p>Contact would have no issue providing this information on a more regular basis than what is required by regulation. However, we would be hesitant in agreeing to provide this during a contingency event.</p>
<p>7.1</p>	<p>Further consideration is given to amending the Regulations to clarify that the CCO may call for public restraint and gas savings in an affected region, following consultation with Gas Industry Co, if band 6 consumers in that region are directed to curtail gas consumption.</p>	<p>26 Do you agree it would be useful to clarify within the Regulations that the CCO may call for public restraint and gas savings in an affected region, following consultation with Gas Industry Co, if band 6 consumers in that region are directed to curtail gas consumption?</p>	<p>26 Yes, provided the messaging makes it clear that consumers are not required to turn off their gas supply at the meter; rather they are being asked to minimise their gas usage to essential use only, or cease taking gas, as appropriate to the circumstance.</p> <p>Furthermore if the situation is critical then it needs to be made clear that failure to voluntarily minimise their gas usage to essential use only, or cease taking gas, will likely result in a loss of gas in the distribution network which would mean it would take days, if not weeks, to reinstate supply.</p>

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			<p>In Contact's view, all calls for public restraint should be through paid-for media notices (to be read or printed without change) to ensure key messages are relayed as intended.</p>
7.2	<p>The Regulations are amended to clarify that the CCO should take responsibility for coordinating communications during a critical contingency, is required to appoint a media spokesperson as soon as reasonably practical following the declaration of a critical contingency, and is required to make timely public announcements at regular intervals during a critical contingency.</p>	<p>27 Do you agree the Regulations should clarify who is responsible for coordinating communications during a critical contingency, and who should appoint a media spokesperson?</p> <p>28 Who is best-placed to assume the media communication and spokesperson role?</p>	<p>27 Yes, although the CCO may delegate this function to Vector given that the CCO's role is predominantly to manage the contingency event.</p> <p>28 In our view, Vector should assume the spokesperson role as the system operator for both the Maui and Vector pipelines, with support from the GIC.</p>
7.3	<p>Further consideration is given to whether it is necessary or desirable to amend the Regulations to provide the CCO with powers to require relevant information to be supplied by TSOs and other asset owners during a critical contingency.</p>	<p>29 What additional powers does the CCO need during a contingency to acquire important information from TSOs and other asset owners?</p>	<p>29 The main problem appears to arise from Regulation 39 and the requirement for annual rather than average daily usage during mid-winter and mid-summer. In our view, if this changed, the CCO would be in a better position to assess what action it should take.</p> <p>At the same time, the CCO should have the power to obtain any information it reasonably requires to enable it to manage a critical contingency effectively.</p>
7.3	<p>The CCO Service Provider Agreement is amended to provide for the CCO to coordinate communications and appoint a spokesperson, and to provide flexibility for the CCO to manage communications in a way that ensures they are appropriate to the circumstance – depending on the circumstances, communications should be coordinated with asset owners, Gas Industry Co and Ministers to ensure consistency of messages, and targeted at consumers where necessary.</p>	<p>30 What additional provisions are required in the CCO Service Provider Agreement to clarify and enhance its role during a critical contingency? (Note that the service provider agreement is available on the GIC website.)</p>	<p>30 Communications should be of two types:</p> <ul style="list-style-type: none"> • General event media releases • Load curtailment requests via media notices (adverts to be read or printed without amendment) to mass market (<2TJ) consumers

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7.5	The Regulations are amended to clarify that the CCO Performance Report should be published in draft form and submissions invited from interested stakeholders, the final version of the report provided to Gas industry Co, and any submissions received by the CCO during the submission process should be published.	31 What processes should be established around the preparation and delivery of the CCO Performance Report?	31 Contact agrees with the recommendation put forward in the paper.
7.4	It may be helpful to clarify that the CCO should have powers to reconfigure networks during a critical contingency where this could assist in minimising overall costs.	32 Do you agree that the CCO should have powers to reconfigure networks during a critical contingency where this could assist in minimising overall costs?	32 Yes, but we would note that in the case of distribution networks it would have to be done through an instruction to the relevant distributor(s).
8.2	Further consideration is given to whether it is necessary to provide some supplementary information about the distinction between national and regional contingencies (clarifying that national contingencies reflect gas supply shortages and regional contingencies reflect gas transport shortages) and the rationale for imbalance calculations only applying during a national critical contingency.	33 Do you agree that there is a lack of clarity around the purpose for and distinction between national and regional contingencies, and if you agree, how do you think this is best clarified?	33 Yes. Contact agrees with the clarification set out in the report
8.2	The existing arrangements, whereby contingency imbalance calculations and contingency prices only apply to national contingencies, are retained.	<p>34 Do you agree that contingency imbalance calculations and contingency prices only apply to national contingencies (i.e. gas supply shortages) and not to regional contingencies (i.e. gas transport shortages)?</p> <p>35 If you consider that contingency imbalance calculations and contingency prices should also apply to regional contingencies, how would that work?</p>	<p>34 No.</p> <p>35 First there should be a review of how these calculations are determined given the industry has now experienced two critical contingency events involving the determination of a critical contingency price. This will ensure that the correct incentives are in play and limit the extent of an event. In our view, there should also be some way of reconciling a party's allocation of contingency imbalance to provide transparency and accuracy. Following agreement on a methodology, it could also be extended to apply to regional events.</p>

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8.2	The Regulations are amended to provide that the CCO should make a declaration as to whether a critical contingency is national or regional, as soon as reasonably practicable following a critical contingency declaration, and allowing for that declaration to be modified during a contingency if required to reflect developments.	<p>36 Do you agree that it would be helpful to have an early declaration as to whether a critical contingency is regional or national?</p> <p>37 Who is best-placed to determine whether a critical contingency is regional or national?</p>	<p>36 If the two events continue to be treated the same way as currently regulated then yes, Contact agrees it would be helpful to have an early declaration as to whether a critical contingency was regional or national.</p> <p>37 In Contact's view, the CCO in conjunction with the TSO should determine whether the contingency is regional or national.</p>
9.2	Further consideration is given to how best to enhance the enforcement provisions to cover breaches by non-participant consumers and whether it is necessary to seek changes to the Gas Act.	<p>38 Do you agree that stronger enforcement provisions are necessary to cover breaches by non-industry participant consumers?</p> <p>39 Do you have any suggestions about possible mechanisms to improve consumer compliance with curtailment directions?</p>	<p>38 Contact agrees that stronger enforcement provisions are necessary to cover breaches by non-industry participant consumers.</p> <p>39 Contact would like to see consumers educated through a flyer which is sent to all consumers >2TJ. Contact would recommend this flyer is distributed both electronically and through the post.</p>