



8 February 2024

Pamela Caird  
Transmission Commercial Manager  
First Gas Limited  
(via email to [Pamela.Caird@firstgas.co.nz](mailto:Pamela.Caird@firstgas.co.nz) )

Dear Pamela

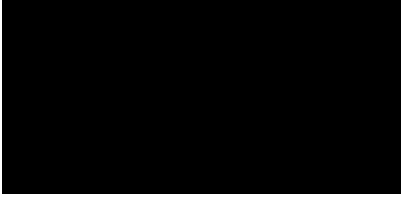
**RE: Proposed Changes to Pressure Ranges in Schedule 1 of the Gas Governance (Critical Contingency) Regulations 2008**

This letter is on behalf of the Major Gas Users Group and responds to a series of documents sent on 13 December 2023 and Webinar presentations made by First Gas in support of proposed changes to pressure ranges in Schedule 1 of the Gas Governance (Critical Contingency) Regulations 2008.

MGUG supports the urgent changes to Schedule 1 removing the Taupo gas gate as a point of measurement and Broadlands as an 'any other gas gate' location. The justification for this as supporting biomethane injection from Ecogas to supply pressure to the 508 lateral between Reporoa and Taupo appear pragmatic. We can also appreciate the broader benefits to the gas system and wider consumers of demonstrating technical and commercial proofs of concept for renewable gasses into the system. This is likely to outweigh the potential costs/ risks on a small localised consumer base.

On the basis of information provided for further changes to Pmin in the Schedule, we are unable to arrive at an informed decision on these that would allow us to endorse the changes. We understand the rationale for lowering Pmin in lowering the incidence of "false alarms" that initiate a CCM event. However, despite direct questions on how this might affect security of supply to our members, we can find no reassuring evidence that security of supply won't be compromised if Firstgas also intends to reduce the system line pack in tandem with the changes to Schedule 1. We would suggest that more detailed work be done at a gate level to quantify risks to supply security to individual users from lowering system pressures.

We also note that the Cost Benefit Analysis fails to identify the actual cost and investment benefits that would pass through to consumers and how that might be reflected in their transmission charges. For example, the papers note that consumers won't see any *cost increases* from these changes, while also noting that there are expected cost savings. It's not clear who benefits from the cost savings. We expect that these are intended to be passed through to consumers but Firstgas hasn't made that clear if that is indeed what is meant by that statement. We would appreciate greater clarity on the portion of cost savings that will be passed through to consumers vs that which is meant to be retained by Firstgas.



Len Houwers  
Secretariat Major Gas Users Group Inc.