



# Responses to Consultation Questions

## Statement of Proposal: Amending the Gas Governance (Critical Contingency Management) Regulations 2008

Submission prepared by: Josh Adams, Major Gas User's Group Secretariat

| Question   | Comment   |
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| 1. <b>Part 1:</b> Do you have any additional/further comments relating to Part 1 (Minor changes and intended recommendations to the Minister)? Please provide comments and feedback, including whether there are additional changes that Gas Industry Co should consider | <p>MGUG is concerned at the growing trend of unplanned field outages, reduced field performance against forecast, and more frequent reserves and production downgrades. This has been particularly noticeable since 2018. We also note the desire for pipelines to accommodate renewable gases. Given this context we support the review of CCM arrangements and think they will need ongoing monitoring as the upstream and midstream sectors continue to evolve.</p> <p>MGUG submitted previously on the subject matter of Part 1. We have no further comments.</p>   |
| 2. <b>Part 2:</b> Do you agree with the proposed changes to the critical contingency threshold limits detailed in Schedule 1? Why or why not?  | <p>As highlighted in our February submission, we have questions about how the proposed changes might affect security of supply to our members. To date 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 have suggested that more detailed work be done at a gate level to quantify risks to supply security to individual users from lowering system pressures. Our strong preference is that this work would have been completed before changing the threshold limits.</p> |
| 3. Do you agree with Gas Industry's view regarding the exclusion of gas gates operated at distribution pressure <20? Why or why not?   | <p>Yes.</p>   |
| 4. What is your general view on the issue?   | <p>We think the smaller lines can be managed on an event basis.</p>   |

| Question   | Comment  |
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| 5. <b>Part 3:</b> Do you agree with the recommended changes to the critical contingency threshold limits to remove the Broadlands and Taupo gas gates? Why or why not? | Yes.   |
| 6. What is your general view on the issue?   | Due to the small localised consumer base, we think the potential costs vs risks can probably be managed. |