

Welcome to Gas Industry Co's News Bulletin, a periodic advisory of new and current consultations, workstream developments, publications and presentations.

Final Recommendation released

24 April 2015 MPOC Amendment Process Change Request

Gas Industry Co has released its Final Recommendation on the 24 April 2015 Maui Pipeline Operating Code Amendment Process Change Request (APCR). Consistent with our Draft Recommendation, this does not support the proposed changes in the APCR.

The Final Recommendation includes Gas Industry Co's Analysis of Submissions on the Draft Recommendation, and an independent assessment by Sir John Hansen. Five submissions were received.

[> Read more](#)

UPCOMING EVENTS

Gas Story Roadshows

Gas Industry Co has commenced a new round of presentations on *The New Zealand Gas Story* with a session held in Wellington on 1 October.

Details of the two remaining public presentations are shown below. You can still register to attend either of these by emailing [Sandy Thambiah](#). We are also making presentations to individual organisations, and further can be arranged if there is interest.

City	Venue	Date	Time
Auckland	Vector Carlton Gore Road	Wednesday 7 October	10am to 12.30pm
Taranaki	TSB Show Place Bryan Robb Lounge 92-100 Devon St West, New Plymouth	Tuesday 13 October	10.30am to 12.30pm (Coffee available from 10.15am)

[> Register your attendance](#)

OTHER NEWS ITEMS

New market-based balancing (MBB) arrangements introduced to the Maui pipeline

MBB was introduced on 1 October, including the launch of a 'Balancing Gas Information Exchange' (BGIX). The BGIX provides a user-friendly presentation of information on the past and present status of the pipeline, including any instances where the pipeline operator has 'cashed-out' a pipeline user whose imbalance at the end of a day is outside a specified tolerance. In our view it has improved the transparency of pipeline balancing, but it is the views of pipeline users that matter, and we are keen to hear their opinions. The BGIX is open to the public and can be viewed at: www.bgix.co.nz.

MBB is a set of arrangements aimed at improving the overall balance between the amount of gas injected into the Maui pipeline by producers, and the amount drawn from the pipeline by major users and Vector's interconnecting pipelines (for on-delivery to 'mass-market' residential, commercial and industrial users throughout the North Island). MBB was developed by the owners of the Maui Pipeline (Shell, Todd and OMV) in response to a range of balancing problems generally considered to have resulted from poor incentives on pipeline users to maintain balanced positions. At the extreme, balancing problems can lead to critical contingency events requiring the interruption of gas supplies to end users.

Gas Industry Co has a role in considering and making recommendations on changes to Maui pipeline arrangements and on 28 April 2015, following lengthy consultation, we released a Final Recommendation supporting the introduction of MBB. Full details of MBB, stakeholder submissions, and our analysis of the proposed change can be found on our website [here](#). Our assessment was that MBB would:

- generally improve efficiency of gas transport arrangements;
- allow for more competitive balancing gas transactions;
- signal the cost of pipeline flexibility; and
- result in more stable balancing, thereby reducing security of supply risks.

Despite some data presentation issues, the BGIX appears to be functioning smoothly, and the users seem to be adjusting well to the new arrangements, with pipeline pressures well within the operating target range. To date, the pipeline owner has not been required to take any 'residual' balancing actions, an indication that in aggregate pipeline users are maintaining reasonably balanced positions. However, it is early days, and Gas Industry Co plans ongoing monitoring of MBB, and will publish our findings from time to time. In addition, we will conduct a full post-implementation review of the new arrangements after a full year of operation.

We consider MBB to be the most significant change to the Maui pipeline access arrangements since 2005 when the pipeline was first opened to parties other than holders of the original Maui gas supply agreements. We consider that it has the potential to significantly improve market efficiency.

[> Read more](#)

2015 Annual Report

Gas Industry Co has released its 2015 Annual Report.

[> View the Report](#)

Latest Switching Statistics

Gas Industry Co has published the gas consumer switching statistics for September 2015. There were 5,252 completed switches during the month, up 649 on August 2015. This was 1,354 more than in September 2014. The number of gas transfer notices received this month was the highest since the registry began in March 2009.

[> View the switching statistics](#)

If you wish to discuss any aspect of this bulletin, please contact us at info@gasindustry.co.nz or 04-4721800

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