

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

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News item

Transmission Code Convergence

Over recent years, Gas Industry Co has worked with gas transmission system owners and industry stakeholders to improve gas transmission code arrangements. In 2015, this included work by the Gas Industry Transmission Access Working Group (GITAWG) and a Gas Industry Co *Options Paper* which focussed on developing converged code arrangements.

Much of this work reflected the separate ownership of the two systems by Maui Development Limited and Vector. In late 2015, Gas Industry Co advised that it was pausing the code convergence work in light of the processes for sale of the two systems. Gas Industry Co has been discussing how the code convergence work will be progressed with First Gas, the purchaser of the Vector system and conditional purchaser of the Maui pipeline. Joint ownership of the two systems offers significant potential benefits, including natural incentives to converge the code arrangements, as well as streamlining replacement of the OATIS IT system.

Gas Industry Co and First Gas envisage:

- That previous industry work on code convergence (including by the Panel of Expert Advisers) will remain relevant. However, the principal reference point is the objectives in the Gas Act 1992, which gives scope for additional new analysis and options to emerge.
- Moving from the previous 'evolutionary convergence' approach to development of a single code, with First Gas playing a leadership role.
- Remaining potential for such a code to be agreed by relevant parties, but with a regulatory backstop. The latter will continue to require reference to the requirements of the Gas Act, including stakeholder consultation.
- Gas Industry Co and stakeholders will continue to work closely with the Commerce Commission on relevant aspects of the pending gas transmission price-quality path reset.

Gas Industry Co and First Gas are currently discussing possible project governance arrangements, including involvement of stakeholders. We will seek industry feedback on those arrangements in the near future.

Reminder

Security and Reliability Issues Paper

CONSULTATION OPEN

Gas Industry Co reminds stakeholders that submissions on the *Gas Transmission Security and Reliability Issues Paper* released on 21 April 2016 are invited by **5.00pm, Friday 10 June 2016**.

Stakeholders attended a workshop on Tuesday 24 May 2016, where the *Issues Paper* was presented. On the same day the Commerce Commission held a workshop to consider what quality measures should be considered for the price-quality reset. Both presentations are available on our website.

The *Issues Paper* focusses on security and reliability (S&R) of the gas transmission system. It:

- introduces key gas transmission S&R concepts;
- reviews available security and reliability information for each transmission system;
- discusses current commercial and regulatory arrangements for gas transmission that support S&R;
- analyses what is required to achieve effective gas transmission S&R, and considers whether all of those elements are present in current New Zealand arrangements; and
- draws some conclusions from the preceding analysis, and proposes a number of action points.

[> Read more and upload a submission](#)

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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