

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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## CONSULTATION:

# Gas Transmission Access – Single Code Options Paper

In our 6 September News Bulletin we advised of a workshop to be held at Gas Industry Co on Tuesday, 20 September, from 1pm to 3pm (Details can be found below). The Transmission Options Workshop is to discuss a consultation paper, [Gas Transmission Access - Single Code Options Paper Part 1](#) (SCOP1). Submissions on SCOP1 are invited by **5.00pm, Friday 7 October 2016**.

Now that the Maui and Vector pipelines are both owned by First Gas Limited (First Gas), the new owner wishes to replace the existing access codes with a single new code. SCOP1 relates to the process for developing that new transmission code.

SCOP1 discusses Gas Industry Co's role in the development process, proposes a regulatory objective, and canvasses previous work relevant to designing new transmission services. If these matters are of interest to you, we urge you to read the paper and register for the workshop.

[> Read the paper](#)

## Workshop Reminder

<b>Venue</b>	Gas Industry Co, Level 8, The Todd Building, 95 Customhouse Quay, Wellington
<b>Date</b>	Tuesday, 20 September 2016
<b>Time</b>	1.00 to 3.00pm (the workshop will extend if more time is required)
<b>RSVP</b>	<a href="#">Estelle Tolmay</a> (by 5.00pm, 19 September 2016)

If you are unable to attend, but wish to participate by conference call, please register [here](#).

## CONSULTATION:

# Wholesale Levy Assurance – Options Paper

We have today also published another consultation paper—[Wholesale Levy Assurance - Options Paper](#) (*Options Paper*) and invite stakeholder submissions by **5.00pm, Tuesday 18 October 2016**.

The *Options Paper* describes issues that have been identified in respect of inaccurate payment of the wholesale levy. The paper seeks submitter's views on a series of options for providing an improved level of assurance that wholesale levy payers are each paying their fair share of the wholesale levy.

Gas Industry Co is aware of a number of instances where industry participants have made voluntary payments following identification of errors in past returns. Although this suggests that, on the whole, industry participants' processes were subject to a degree of rigour, Gas Industry Co considers that reliance on industry participants' internal processes is an inadequate check on wholesale levy payments. This point was evidenced more recently when Gas Industry Co discovered a significant under-payment of the wholesale levy that spanned a six-year period. That this occurred, and that it went undetected for an extended period, is concerning.

Because Gas Industry Co has no visibility of upstream transactions, this risk will continue to exist and, therefore, the *Options Paper* puts forward a series of ways to mitigate the risk associated with inaccurate levy returns and payments. These options range from introducing regular audits of levy payers through to using data that is sourced independently from levy payers as the basis of the levy invoices. The latter reflects the change that was made to the method of invoicing for retail levies in FY2010 when we began using data from the gas registry to identify each retailer's market share.

If, following submissions, a decision is made to adopt one of the above options, Gas Industry Co's preference is for the new approach to be included in the next levy recommendation to the Minister early in calendar 2017 (for the FY2018 year).

As the *Options Paper* is relatively straightforward, we are not intending to hold a workshop. However, if you need any further clarification on the paper please [email](#) us.

Submissions close **5.00pm, Tuesday 18 October 2016**.

[> Make a submission](#)

If you wish to discuss any aspect of this Bulletin, please contact us at [info@gasindustry.co.nz](mailto:info@gasindustry.co.nz) or 04-4721800

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