

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

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## NEW CONSULTATION

### Release of Gas Transmission Security and Reliability Issues Paper

Gas Industry Co has released a *Gas Transmission Security and Reliability Issues Paper* and invites stakeholders to make submissions on this by **5.00pm, Friday 10 June 2016**.

Gas Industry Co also invites stakeholders to a workshop on **Tuesday, 24 May 2016**, where the *Issues Paper* will be presented. In the afternoon of the same day, Gas Industry Co will host a Commerce Commission workshop to consider what quality measures should be considered for the price-quality reset. Event details are found below.

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](#)

### BACKGROUND

Consumers seek a secure and reliable gas supply at a reasonable cost. All links in the physical supply chain contribute to this, and a recent study has found that the New Zealand gas supply system 'has a high degree of resilience and existing industry operating standards and market structures pose no undue threat to security of supply'.

It is more than four years since the last significant interruption to transmission services (the October 2011 interruption to the Maui Pipeline). The S&R of transmission pipelines is a matter of importance to gas users, given that transmission outages have the potential to cause significant supply interruptions. The 2011 event caused pipeline owners and operators to re-assess risks, increase monitoring, and invest in additional preventative maintenance at high risk sites.

In earlier years, information about transmission S&R has generally been private to the Gas Transmission Businesses (GTBs), and the arrangements supporting S&R were not generally well known or understood. Recent legislative changes, including the introduction of a price-quality regime and associated information disclosure requirements under the Commerce Act, have changed this. In particular, the publication by GTBs of their Asset Management Plans (AMPs) has greatly improved transparency. However, Information about S&R on the transmission pipelines, and arrangements influencing S&R can be difficult to bring together and interpret. Accordingly, stakeholder concerns remain, so it is timely to review the new landscape.

### EVENT DETAILS

**Date** Tuesday, 24 May 2016

**Time** 10.00 – 12.00pm Gas Industry Co workshop on S&R Issues paper  
12.00 – 1.00pm Lunch  
(1.00 – 4.00pm Commerce Commission workshop on quality measures.  
Details will be advised separately by the Commerce Commission)

**Location** Gas Industry Co, Level 8, The Todd Building, 95 Customhouse Quay, Wellington

**RSVP** [Estelle Tolmay](#) by Friday, 20 May 2016

## Other news

### Update to Switching and Reconciliation Determinations

Gas Industry Co has updated the Notice of Determinations under the Gas (Switching Arrangements) Rules 2008 (Switching Determinations) and the Notice of Determinations under the Gas (Downstream Reconciliation) Rules 2008 (Reconciliation Determinations), to reflect the following recent changes in the gas market:

- First Gas Limited becoming the owner of Vector's transmission pipelines and non-Auckland distribution pipelines (the networks associated with participant codes 'VCTX' and 'NGCD'); and
- A newly commissioned direct connect gas gate, Lichfield 2 (LCF20011)

Under the Gas (Switching Arrangements) Rules 2008 and the Gas (Downstream Reconciliation) Rules 2008, Gas Industry Co is required to make determinations on various matters including the codes used by participants to interact with each other and the gas registry and gas allocation systems. Gas Industry Co is required to publish these determinations on its website.

The updated determinations are available on our website:

[Switching Determinations](#)

[Reconciliation Determinations](#)

# Reminders

## INVITATION:

### Release of 'Consumer Energy Options in NZ – 2016 Update

You are invited to attend a presentation on the key findings of the report *Consumer Energy Options in NZ – 2016 Update* on **Friday, 29 April 2016**.

The report, *Consumer Energy Options in New Zealand – 2016 Update*, by Concept Consulting was commissioned by Gas Industry Co and is aimed at providing updated and authoritative information that can be used by a range of private and public sector players in guiding consumer energy decision-making. It covers both households and industrial heating, and reflects on issues for gas and LPG as carbon fuels.

#### EVENT DETAILS

Date	Friday, 29 April 2016
Time	12.00 – 1.30pm (tea/coffee, and a light lunch provided)
Location	Gas Industry Co offices, Level 8, The Todd Building, 95 Customhouse Quay, Wellington
RSVP	<a href="#">Estelle Tolmay</a> by Wednesday, 27 April 2016

[> Read more](#)

## CONSULTATION STILL OPEN FOR SUBMISSIONS:

### MPOC Change Request

Gas Industry Co is consulting on an MPOC Change Request – Change of Ownership Change Request (COCR), and reminds stakeholders that submissions on the COCR and its Draft Recommendation close **5.00pm, Friday 29 April 2016**.

On 13 April 2016 Gas Industry Co received an application from Maui Development Limited (MDL) seeking Gas Industry Co's support of proposed amendments to the Maui Pipeline Operating Code (MPOC). The proposed amendments aim to facilitate the change in the ownership and operation of the Maui pipeline. Among other matters the COCR:

- removes references to MDL;
- provides that the new owner can carry out the Technical Operator, System Operator, Commercial Operator, Balancing Agent and Incentives Pool Trustee roles; and
- adjusts the ring-fencing arrangements to be appropriate for the changed circumstances.

The COCR would come into effect as soon as a Gas Industry Co Final Recommendation supporting the Change Request is issued. This could be as soon as 4 May 2016, assuming no substantive issues are raised in submissions, and that Gas Industry Co continues to support the COCR.

Gas Industry Co's Draft Recommendation supports the COCR.

[> Read more and upload 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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