

# Gas pipeline DPP reset 2017

## Quality of service workshop

24 May 2016

Commerce Commission and Gas Industry Company



## Quality of service workshop

### Today's agenda

- GIC's views on quality
- Our approach to quality
- Discussion on gas transmission
- Break
- Discussion on gas distribution



## Quality of service workshop



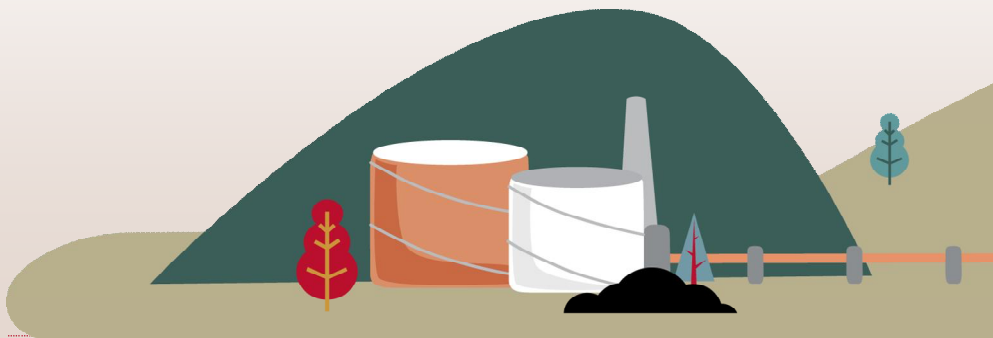
### Purpose of today's sessions

- To encourage open discussion about:
  - quality of service in the gas transmission and gas distribution sectors
  - the role the upcoming DPP reset has to play in ensuring suppliers deliver services at a level that consumers demand
- Feeds into our upcoming DPP Policy Paper in September



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## GIC's views on quality



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## Our approach to quality



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## Our approach to quality



### Purpose of Part 4

To promote outcomes that are consistent with outcomes produced in competitive markets such that suppliers of regulated goods or services

- Innovate and invest
- Improve efficiency and provide services at a quality that reflects consumer demands
- Share with consumers the benefits of efficiency gains
- Limited in ability to extract excessive profits

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## Our approach to quality



### Links to other Commission work



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## Our approach to quality



### Links to other Commission work

- Further work on improving AMPs
- Forecasting expenditure for the DPP reset
- Limited links to the IM Review



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## Our approach to quality



### Our analytical framework

- What aspects of performance are the most important from a consumer point of view?
- To what extent are existing regulatory and commercial arrangements adequate for ensuring suppliers deliver this?
- What tools are best suited for remedying any gaps?
- Is the cost of improved quality worthwhile?



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## Our approach to quality



### Inputs to this discussion

- Outcomes from previous regulatory work
- Submissions on the December forum and the Process and Issues paper
- GIC's report into transmission security and reliability



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## Our approach to quality



### The Commission's regulatory tool-kit

We don't want to restrict our solutions to the DPP reset, where we have a number of tools that may be appropriate

- DPP quality standards
- Information disclosure
- Asset management plans
- s 53ZD investigations



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## Gas Transmission



### Emerging views on transmission

- The current DPP quality standard is of limited value
- Wider regulatory and commercial arrangements are generally adequate
- Issues around:
  - Communication of risks to the pipeline in AMPs
  - Accountability and compensation following major incidents



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## Gas Distribution

### Emerging views on distribution

- The current DPP quality standard is appropriate
- Wider regulatory and commercial arrangements are generally adequate
- Accountability following major incidents also an issue, but less important than for GTBs



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