OPTIONS PAPER

Wholesale Levy Assurance

Date issued: 14 September 2016

Submissions due: by 5pm, Tuesday 18 October 2016

GAS INDUSTRY COMPANY LIMITED

Executive Summary

For over a decade, Gas Industry Co has been funded by wholesale and retail levies applied to industry participants by successive annual Gas (Levy of Industry Participants) Regulations (Levy Regulations). With the exception of the retail levy, the approach taken in the Levy Regulations has been largely unchanged. Originally, both wholesale and retail levy payers were required to provide monthly returns (of volumes of gas purchased and customer numbers respectively) and Gas Industry Co used those returns to verify their levy payments. However, once the gas registry went live in 2009, subsequent Levy Regulations based the payments of retail levies on data from the gas registry rather than on returns from retailers.

In general, the system for collection of the wholesale levy has worked well. Annual consultation on the work programme and the level of funding has received strong support from stakeholders, as evidenced by their submissions. However, 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. The lack of any transparency about gas sales by producers means that Gas Industry Co cannot be completely confident in the accuracy of the returns and associated 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.

Gas Industry Co has concluded that there is inadequate means for it to verify that each participant has met its obligations under the Levy Regulations. The potential for undetected underpayment is unfair to other industry participants who are required to bear the cost of any underpayment. The purpose of this paper is to propose options that provide industry participants with greater assurance that the wholesale levy is applied in a fair manner and to seek stakeholder feedback on those options.

The options fall broadly under two headings:

Introduce new means for verifying wholesale levy returns

There are two options that would seek to correct the shortcomings of the existing approach by allowing verification of wholesale levy return data:

1. provide for Gas Industry Co to obtain an independent source of data for comparison with industry participants' wholesale levy returns by requiring gas producers to provide data on monthly sales volumes, by customer, to Gas Industry Co; or
2. periodically audit wholesale levy payers to check their returns, to incentivise accurate returns as well as provide a high level of assurance.

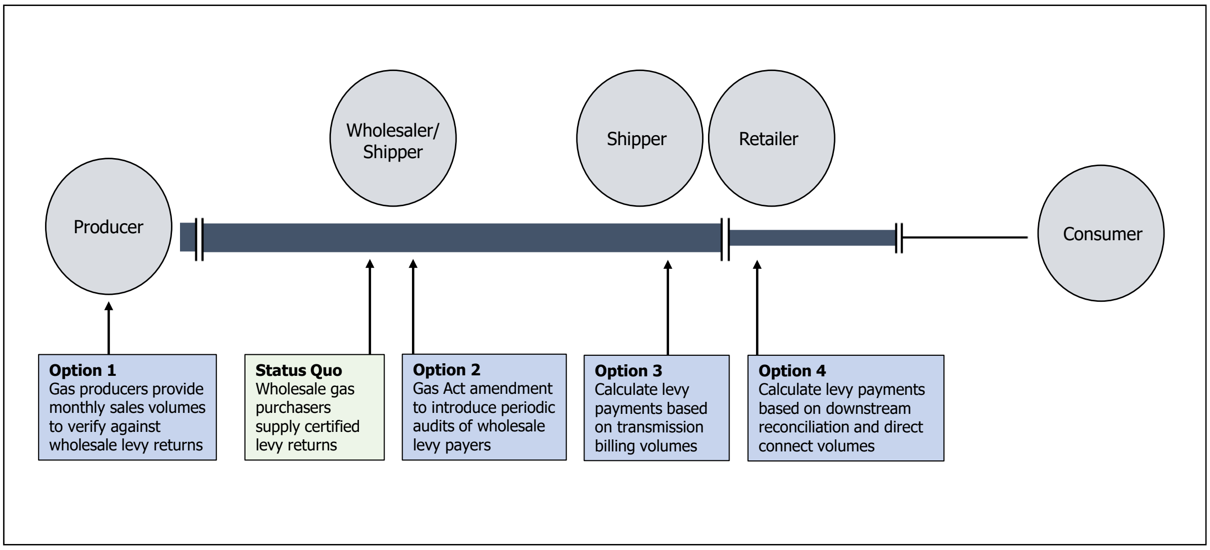
Base the wholesale levy on data independent of levy payers

These options are similar to the approach to the current retail levy (which uses data from the gas registry). The third and fourth options would seek to base the wholesale levy on:

1. transmission billing volumes, sourced from the TSP; or
2. a combination of downstream reconciliation volumes and deliveries to transmission-connected customers, sourced from the allocation agent.

The four options are illustrated in the diagram below. Each option impacts one of the parties in the supply chain, but the total volumes on which the levy are based do not change, and it is reasonable to assume that whoever pays the levy upfront, the cost will eventually be passed down through the chain to the consumer.

Figure 1 Options for Wholesale Levy Assurance



Each of the four options has advantages and disadvantages.

Option 1 requires new drafting to be included in future Levy Regulations requiring producers to provide relevant data. This places little burden on producers (as they already need to generate the data for billing purposes), but would require a reasonable amount of work by Gas Industry Co each month to analyse the data and verify returns.

Option 2 requires a change to the Gas Act and, therefore, Gas Industry Co does not consider this to be a practicable option in the near term. It also increases costs for industry participants as it would require engagement of auditors on a regular cycle.

Options 3 and 4 both appear to be quite straightforward to implement. The data is readily available as it is already generated for other purposes on a monthly basis by First Gas and the allocation agent respectively. Additionally, in the case of the downstream reconciliation data, the inputs to that process are subject to performance and event audits and there is a high degree of confidence in the data. One minor issue is the need to capture deliveries that occur via private pipelines. Gas Industry Co is aware from discussions with certain levy payers that they already remit levies on such purchases and we do not expect that obtaining the data from the private pipeline owners would be an issue.

Both of the latter two options offer the lowest ongoing costs, given that they piggy-back on existing industry processes. Wholesale levy payers would be relieved of the current requirement to provide monthly returns, and Gas Industry Co would simply collate the data and send out the invoices. Naturally, under option 4 there would be the question of how to address wash-ups (as each consumption period is allocated three times) but that is a matter common to other transactions in the industry and wash-ups are an accepted practice.

Of the options presented, Gas Industry Co has a preference for using option 3 – transmission billing volumes. The key benefits of this option include:

1. The use of existing industry arrangements placing minimal additional burden on industry participants.
2. The use of data obtained from an independent source.
3. Minimal change to the industry participants that are required to pay the wholesale levy.
4. Automatic incorporation of the effects of reconciliation wash-ups.

Gas Industry Co welcomes submissions on the options and will consider those before determining how best to address the current wholesale levy revenue assurance issue. If 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).

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1. Introduction and purpose

Recent experience has highlighted the risk, and potential for unfairness to other wholesale levy payers, of Gas Industry Co being unable to adequately verify industry participants' wholesale levy returns submitted under the Levy Regulations.

The purpose of this paper is to propose options that provide industry participants with greater assurance that the wholesale levy is applied in a fair manner and to seek stakeholder feedback on those options. Those options seek to either build on the current approach by adding the ability to verify returns, such as auditing, or to use independent sources of data for calculation of wholesale levy invoices, such as is currently done for the retail levy.

Gas Industry Co invites submissions on this paper by 5.00pm, Tuesday 18 October 2016 and you can make a submission here. Once we have considered submissions, an analysis of submissions will be posted on our website.

2. Background

2.1 The legislative framework

Section 43ZZB of the Gas Act 1992 (Gas Act) gives Gas Industry Co the power to recommend to the Minister that regulations be made to require industry participants to pay a levy to Gas Industry Co. This levy is intended to meet the costs of Gas Industry Co carrying out the functions of the industry body under Part 4A of the Gas Act.

The Minister may accept or reject Gas Industry Co's recommendation. However, the Minister must accept Gas Industry Co's recommendation, and recommend to the Governor-General that Levy Regulations be made, if he or she is satisfied that:

1. the levy rate or amount is reasonable, having regard to Gas Industry Co's statement of intent, its latest annual report, and any government policy statement (GPS) objectives and outcomes; and
2. Gas Industry Co has consulted with industry participants on the levy rate or amount; and
3. the requirements of the Gas Act relating to the calculation of the levy have been complied with.

Successive Levy Regulations have required payment of wholesale and retail gas levies. The Levy Regulations have required the wholesale gas levy to be calculated by multiplying the wholesale levy rate by the volumes of gas purchased by industry participants during the previous month from gas producers. The retail gas levy is calculated by multiplying the retail levy rate by the number of active ICPs for which the gas retailer is responsible.

In respect of the wholesale gas levy, industry participants must provide Gas Industry Co with a written return stating the total amount of gas that the participant purchased in the previous month from producers, and a director of the industry participant (or an authorised person) must certify that those returns are correct.

In respect of the retail gas levy, prior to the inception of the gas registry the Levy Regulations required retailers to provide monthly returns of the numbers of their respective customers and that data was used to calculate the retail levy. Since the gas registry has been in existence, Gas Industry Co calculates retail levy invoices using data from the gas registry.

Any levy amount identified as unpaid is recoverable by Gas Industry Co as a debt through the courts.

2.2 Past experience

Currently, the only means for Gas Industry Co to verify industry participants' wholesale levy returns involves comparison with publicly available information (e.g. data from MBIE publications). This information only provides a global perspective (i.e. is not broken down by individual levy payers), often covers somewhat different time periods, and may be calculated on a different basis from that required by the Levy Regulations. 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. The lack of any transparency about gas sales by producers means that Gas Industry Co cannot be completely confident in the accuracy of the returns and associated wholesale levy payments.

The method for calculating the wholesale levy specified in the Levy Regulations was set in 2005 and has remained substantially unchanged since that date. On the other hand, once the gas registry was in place, Gas Industry Co gained access to an independent source of information on which to base monthly invoices for the retail levy. As a result, the retail levy has since been changed to base the obligation to pay the retail levy on each retailer's market share of active ICPs in the gas registry.

In 2012 a minor and technical amendment was made to section 43ZZE of the Gas Act to provide that the Levy Regulations may require the keeping and supply to Gas Industry Co of such information as may be necessary to establish the correct amount of the levy payable. Subsequent Levy Regulations have imposed an obligation on wholesale levy payers to keep such information and to provide it to Gas Industry Co if requested. However, that obligation is of limited value as Gas Industry Co does not have sufficient visibility of the underlying data to be able to know when to request such additional information. Moreover, it would not be appropriate to use that provision as a "fishing expedition" to gather data nor would it be efficient to employ time and resources to analyse such data when any analysis would have limited accuracy and if the great majority of returns are accurate.

Q1: Do you agree that the current arrangements do not provide adequate assurance that wholesale levy payers are meeting their respective obligations and that changes need to be made to provide adequate assurance that wholesale levy returns and payments are accurate?

3. Possible options

Given Gas Industry Co's limited ability to identify non-payment efficiently, this section offers a number of alternative approaches to enable Gas Industry Co to verify the wholesale levy and provide industry participants with greater assurance that the wholesale levy is applied in a fair manner.

3.1 Option 1—require producers to provide Gas Industry Co with volumes sold to each of their customers monthly

This option involves:

1. industry participants that are liable to pay a wholesale levy each month to provide Gas Industry Co with a written return stating the total volume of gas purchased during the previous month from gas producers;
2. industry participants ensuring that any returns or statements supplied under the Levy Regulations are certified as correct by a director of the industry participant;
3. Gas Industry Co requiring industry participants to supply information that is necessary to establish the correct amount of the levy payable; and
4. include a requirement in the Levy Regulations for producers and purchasers to provide information necessary to establish the correct amount of the levy payable as part of the submission of the return.

This option would involve including a requirement in the Levy Regulations for both purchasers and producers to provide information relating to the wholesale levy calculation. This option has been proposed as producers have information relating to their commercial arrangements with purchasers which could be used to verify purchasers' levy returns.

Currently, the Gas Act permits the Levy Regulations to require the keeping and supply to Gas Industry Co of such information as may be necessary for the purpose of establishing the correct amount of the levy payable. As the Gas Act does not specify who must provide the information and in what manner, the requirement to provide information could be specifically applied to producers as well as purchasers.

This option requires no changes to the Gas Act, but does require a revised approach to future Levy Regulations. There is likely to be a small, additional burden on producers if they are requested to provide information relating to their monthly sales volumes by customer.

3.2 Option 2—amend the Gas Act to require the Levy Regulations to contain a requirement that an industry participant's determination of volumes is audited

This option involves:

1. industry participants that are liable to pay a wholesale levy each month to provide Gas Industry Co with a written return stating the total volume of gas purchased during the previous month from gas producers;

2. industry participants ensuring that any returns or statements supplied under the Levy Regulations are certified as correct by a director of the industry participant;
3. Gas Industry Co's power to require industry participants to supply information that is necessary to establish the correct amount of the levy payable; and
4. amending the Gas Act to require the Levy Regulations to contain a specific requirement that industry participants' returns are audited.

Currently the Gas Act permits the Levy Regulations to require the keeping and supply to Gas Industry Co of such information as may be necessary for the purpose of establishing the correct amount of the levy payable. This process is reactive and relies on Gas Industry Co identifying an issue that requires further investigation. Amending the Gas Act to permit the inclusion of an audit process in the Levy Regulations would enable Gas Industry Co to be proactive in identifying errors in the calculation of the wholesale levy. The recent identification of a lengthy period of non-compliance by an industry participant provides compelling evidence of the flaws in the current arrangements and Gas Industry Co considers that this would justify the Act being changed to prevent a recurrence.

This option entails the least change from the status quo, but does require a change to the Gas Act and a new approach to the Levy Regulations. It would also impose some additional costs on producers through having to engage with the audit process. However, those costs are expected to be minor because the required information already exists in a producer's system. There would also be some administrative cost for Gas Industry Co in administering the audit process, but these costs are also expected to be minor.

This option is the only one of the four discussed in this paper that requires amending the Gas Act.

3.3 Option 3—calculate wholesale levy payments using transmission billing volumes

This option involves changing the approach to calculating the wholesale levy by applying the levy rate to each shipper's transmission billing volumes. As Gas Industry Co could obtain this data without reliance on the industry participant that pays the wholesale levy, there would be no issue in terms of verification of volumes used to determine the wholesale levy.

This option would involve a different approach to calculating the wholesale levy from the method in the 2016 Levy Regulations, but would not require any change to the Gas Act as the Gas Act does not specify the methodology that must be used to calculate the levy.

This option is designed to piggy-back on existing processes within the gas industry. The monthly bills for transmission services are based on information that is (mostly) independent of wholesale levy payers. As an example, shippers using the Maui pipeline must transport the gas that they purchase from producers to delivery points: either end-users directly connected to the transmission system, or shared welded points that are subject to defined allocation processes.

By using information that is already being compiled by the TSP there is little or no additional cost to industry participants. Indeed, there is likely to be some cost-saving as each of the wholesale levy payers would be relieved of the existing monthly task of having to prepare their individual levy returns.

This solution would need to be developed further as it does not capture gas which is transported through private pipelines. However, as the suppliers who use those pipelines for transmission also need to measure, and bill for, such volumes, they should be able to provide Gas Industry Co with accurate information at minimal additional cost, not dissimilar to the open-access transmission service provider (TSP). However, given that gas can, and does, change hands at points within the high pressure transmission system, it will be important to draft any future regulations carefully so as to ensure that the wholesale levy is only charged once on any given GJ of gas. That is expected to be relatively straightforward, such as specifying receipt-point volumes but excluding so-called TP welded points (i.e. the receipt points into the ex-Vector system from the Maui pipeline).

Under the existing transmission arrangements, this approach would be unlikely to significantly change who is responsible for paying the wholesale levy to Gas Industry Co. The wholesale levy is currently paid by those who purchase from gas producers and, in most cases, the gas is sold at the receipt point on the Maui pipeline from where it is shipped. In these circumstances there is a 100% correlation between purchaser and shipper.

Exceptions may arise at receipt points, if any, where there is an allocation agreement and trading occurs between a party who is currently liable to pay the wholesale levy and the party to whom they on-sell the gas and ships it to their destination(s). In such circumstances, the liability for the payment of the wholesale levy to Gas Industry Co would shift from the first party to the second. However, it must be remembered that, under the current arrangements, any subsequent sale of gas by the first party will, almost universally, provide for the amount of any taxes/levies/imposts (such as the wholesale levy) to be added to the price of the gas. Accordingly, shifting the liability for payment of the levy further down the supply chain would not be expected to change the overall costs to the shippers or affect subsequent transactions in the supply chain.

3.4 Option 4—base wholesale levy payments on a combination of downstream reconciliation volumes and direct-connect deliveries

This option involves changing the approach to calculating the wholesale levy by applying the levy rate to volumes derived from a combination of downstream reconciliation volumes and direct-connect delivery volumes.

Similar to option 3, this option would involve a different approach to calculating the wholesale levy from the method in the 2016 Levy Regulations, but would not require any change to the Gas Act as the Gas Act does not require a specific methodology to be used to calculate the levy.

On the face of it, this option is somewhat more complex to analyse because the downstream reconciliation arrangements provide for a process of increasing allocation accuracy over time. Each and every consumption month is "allocated" three times:

1. An initial allocation that takes place five business days following the end of the consumption month. The results from the initial allocation are the least accurate because a high proportion of the "mass market" load is estimated by retailers due to a lack of metering data.[1]
2. The second stage is the interim allocation that occurs four months after the end of the consumption month. By that time the quality of the mass market data has improved markedly because retailers will have meter readings that span the entire consumption month for a high proportion of their customers.

[1] Currently the results from the D+1 pilot are being used in place of the initial allocation algorithm described in the Reconciliation Rules. Like the initial allocation, the D+1 results also exhibit a lower level of accuracy.

3. The last stage, the final allocation, takes place 13 months after the consumption month and is the most accurate. By that time retailers will have meter readings that span the consumption month for every customer (other than in exceptional circumstances).

The process of staged allocations, and accuracy increasing with successive stages, means that using those allocation volumes would also require applying the wash-ups between successive stages. While it is a complicating factor, it will typically be the case that any changes will result in zero net impact, i.e. any increases in one or more retailers' allocations will be offset by decreases in other retailers' allocations. But applying the successive wash-ups will result in a fairer apportionment of the wholesale levy over time. An alternative that could simplify the approach would be to base the levy payments on the results from the interim allocation stages. Those allocations differ little from the final allocations and would be sufficiently accurate for the purposes of the wholesale levy. However, applying the wash-ups explicitly is a way of effectively replicating what already happens with wholesale purchasers: their purchases in any month are an amalgam of current month's expectations plus/minus adjustments for previous allocation wash-ups.

Under option 4 there would also be some change in the identities of those who pay the wholesale levy directly. For example, retailers such as Pulse Energy and Switch Utilities do not currently pay the wholesale levy to Gas Industry Co. Instead, those payments are made on their behalf as part of the bundled service provided by Vector Gas Trading (VGT). Nevertheless, the total costs faced by those retailers should not change (assuming that VGT simply passes through the wholesale levy). The amounts that those retailers currently pay would reduce by the magnitude of the wholesale levy and they would remit the wholesale levy direct to Gas Industry Co.

This option means that volumes are based on information that is transparent to Gas Industry Co and, therefore, those volumes are able to be checked (although it will require some work to collate the information). More importantly, although retailers submit data to the Allocation Agent for the allocation processes, each of those retailers is subject to regular audits so Gas Industry Co has a high level of assurance that the data is sound.

Q2: Do you consider that there are any other efficient, low-cost options to address the shortcomings of the current methodology in the Levy Regulations? If so, please provide the alternative(s) together with your assessment compared with the four options presented.

Q3: Do you agree with the analysis of each of the four options? If not, please provide your reasons.

4. Preferred option and next steps

4.1 Preferred option

Gas Industry Co considers that continuing the status quo is not a viable option given the known risks. The inadequacy of existing means for Gas Industry Co to verify that each participant has met its obligations under the Levy Regulations means that it cannot provide industry participants with assurance that the wholesale levy is applied in a fair manner. Of the options presented, Gas Industry Co has a preference for using option 3 – transmission billing volumes[2] – for the following reasons:

1. The option builds on existing industry arrangements and should have low, if any, incremental costs. The transmission invoices stem from volumes transported by shippers and those invoices will, routinely, be checked by the shippers. It is expected that any discrepancies that are identified will be resolved between the affected shipper and the TSP and reflected in a subsequent invoice.
2. Because transmission invoices will reflect downstream volumes delivered over time and those volumes are subject to wash-ups for various reasons, any required adjustments as a result of improved data quality will be reflected in the transmission invoices. As a result, it is expected that levy payments based on those transmission volumes will be accurate over time.
3. By using data produced by an independent party (First Gas) as the basis of the levy volumes, this option separates the information provision from the levy payer. As a result, levy invoices are based on independent data. In addition, shippers will have systems in place to validate their invoices and assure themselves that the volumes are accurate, thereby maintaining a level of scrutiny on the TSP's system. As a result, Gas Industry Co considers this option offers both independence and scrutiny.
4. Given that, for the most part, shippers are already levy payers, this option will result in little or no change to the population of wholesale levy payers.
5. Because the volume data for the wholesale levy calculation will be provided by the TSP, levy payers would be relieved of the requirement to furnish monthly levy returns. There will, of course, be a need for First Gas to provide monthly volume data but that is expected to have minimal impact as it simply requires provision of data that will already exist in the First Gas system.

Option 1 is not favoured on two counts: the need for all producers to commence filing monthly returns; and the work entailed in having Gas Industry Co cross-check levy returns with producers' sales volumes. This seems unnecessary given there are lower cost alternatives that would be just as accurate.

Option 2, although feasible in theory, is not actually feasible at present; it requires a change to the Gas Act and that would take some time to effect. However, even assuming that the Gas Act

[2] Note that for the purposes of this paper "transmission billing volumes" refers to the volume transported by a shipper in a given month. Capacity reservations (or similar) would not be relevant to the levy calculations.

already made provision for levy payers' returns to be audited, this option imposes incremental costs of having to arrange regular audits.

Option 4 is a feasible option but does have a significant degree of administrative cost associated with it as a result of needing to account explicitly for successive reconciliation wash-ups. Gas Industry Co considers that these administrative costs mean that option 4 is inferior to option 3. In addition, it widens the pool of levy payers and there is no advantage, over option 3, of doing so.

Q4: Do you agree with the analysis that option 3 addresses the problem at low cost and provides an appropriate set of checks and balances?

4.2 Next steps

Gas Industry Co seeks submissions on its assessment of the options identified in this paper. Following receipt of submissions, Gas Industry Co will:

1. Consider whether any of the options need to be amended and/or whether there is another option (or options) for addressing the problem that should be considered.
2. Which option (if any) is preferred taking stakeholder feedback into account.
3. Select an option (if any) to be used for future wholesale levy collection.
4. Publish an analysis of submissions which will include Gas Industry Co's decision.

If Gas Industry Co decides to pursue a change to the levy arrangements to improve revenue assurance, it is anticipated that this will be included in the Levy Regulations for FY2018 and, therefore, the detail will need to be included in the consultation paper for the FY2018 levy consultation. To be able to do that, Gas Industry Co may need to complete the following steps over the next three months:

1. Work with relevant industry participants regarding the detailed design of the chosen option and any associated logistical issues. In particular it will be important to ensure that any amendment to the drafting of future Levy Regulations ensures that a new arrangement avoids any duplication in payment of wholesale levies. It is anticipated that we will work with selected industry participants to test any revised wording with them.
2. Develop any changes to the drafting of future Levy Regulations and discuss those with MBIE (and, possibly, the Parliamentary Counsel Office).
3. Provide an appendix to the FY2018 levy consultation paper that details any changes as well as a brief summary in the body of that paper.

Gas Industry Co anticipates any changes to the method of collection of the wholesale levy coming into effect for the FY2018 year, i.e. effective as from 1 July 2017.

4.3 Consequential change to CCM Regulations

One side-effect of Options 3 and 4, which involve changing the method of collecting the wholesale levy, would be to create a small problem with the drafting of regulations 18 and 20 of the Gas Governance (Critical Contingency Management) Regulations 2008 (CCM Regulations). Regulation 18 is concerned with liability for payment of ongoing fees under the CCM Regulations and was designed to reflect the incidence of the wholesale levy at that time. If Regulation 18 remained in its current form, there would still be a need for parties to provide monthly returns of volumes purchased from gas producers under those regulations. Gas Industry Co considers that it would be more efficient to amend the CCM Regulations so as to align regulation 18 with any change to the collection method under future Levy Regulations. If that alignment is made, it is likely that regulation 20, which addresses Gas Industry Co's use of returns and permits persons to consent to returns under the Levy Regulations to be used for the purpose of the CCM regulations, would need to be amended. Gas Industry Co considers this to be a minor and technical change as the effect of the change would be minor and would not adversely affect the interest of any person in a substantial way.

Q5: Do you agree that it would be desirable to amend regulations 18 and 20 of the CCM Regulations to align with any changed levy regulations?

Q6: Do you agree that such an amendment to regulations 18 and 20 would be minor and technical, i.e. its effect is minor and it does not adversely affect the interests of any person in a substantial way?

Appendix A Questions

Submission prepared by: ______________________________ (company name and contact)

QUESTION		COMMENT
Q1:	Do you agree that the current arrangements do not provide adequate assurance that wholesale levy payers are meeting their respective obligations and that changes need to be made to provide adequate assurance that wholesale levy returns and payments are accurate?	
Q2:	Do you consider that there are any other efficient, low-cost options to address the shortcomings of the current methodology in the Levy Regulations? If so, please provide the alternative(s) together with your assessment compared with the four options presented.	
Q3:	Do you agree with the analysis of each of the four options? If not, please provide your reasons.	
Q4:	Do you agree with the analysis that option 3 addresses the problem at low cost and provides an appropriate set of checks and balances?	
Q5:	Do you agree that it would be desirable to amend regulations 18 and 20 of the CCM Regulations to align with any changed levy regulations?	

QUESTION		COMMENT
Q6:	Do you agree that such an amendment to regulations 18 and 20 would be minor and technical, i.e. its effect is minor and it does not adversely affect the interests of any person in a substantial way?	

ABOUT GAS INDUSTRY CO.

Gas Industry Co is the gas industry body and co-regulator under the Gas Act. Its role is to:

- develop arrangements, including regulations where appropriate, which improve:
  - the operation of gas markets;
  - access to infrastructure; and
  - consumer outcomes;
- develop these arrangements with the principal objective to ensure that gas is delivered to existing and new customers in a safe, efficient, reliable, fair and environmentally sustainable manner; and
- oversee compliance with, and review such arrangements.

Gas Industry Co is required to have regard to the Government's policy objectives for the gas sector, and to report on the achievement of those objectives and on the state of the New Zealand gas industry.

Gas Industry Co's corporate strategy is to 'optimise the contribution of gas to New Zealand'.

SUBMISSIONS CLOSE:
by 5pm, Tuesday 18 October 2016

SUBMIT TO:
www.gasindustry.co.nz

ENQUIRIES:
Glenda MacBain

info@gasindustry.co.nz