



19 December 2017

Steve Bielby
CEO
Gas Industry Company Limited
By email

Dear Steve,

Open letter regarding appropriate GTAC consultation

Greymouth Gas New Zealand Limited ('GGNZ') welcomes the GIC's decision to call for submissions on the proposed GTAC prior to issuing a draft recommendation, as set out in the Gas Industry News Bulletin on 11 December 2017.

However, the timetable proposed for consultation is unacceptable. The MPOC's transition change request requires the GIC to carry out "appropriate consultation". More importantly, as the single most significant change to transmission access arrangements in a decade, the GTAC should be subject to a consultation process that recognises that significance.

Normal consultation timeframes are not appropriate. Moreover, a timetable that provides for a consultation period the majority of which consists of the Christmas/New Year break when many staff are on holiday is entirely inappropriate.

The process conducted by First Gas to date has been unsatisfactory in terms of organisation and quality of output. GGNZ believes this is a result of First Gas's new-entrant status, its stubborn determination to a go-live date of 1 October 2018, and its reluctance to acknowledge that more time is needed to ensure a high-quality and resilient code. It would be a poor outcome for industry if the GIC feels equally committed to this arbitrary date, and is prepared to allow the consultation timetable to be driven by such considerations.

Of additional concern is the fact that the entire arrangements being consulted upon are not before industry. At its presentation on 12 December, GIC advised that it would assess the full suite of proposed arrangements, including those external to the GTAC such as ICAs, SOP for balancing and park and loan rules. None of these are available to industry to comment on in the current consultation.

GGNZ is not prepared to cut short the planned holidays of any of its staff to provide what will necessarily be rushed feedback on an incomplete set of arrangements just because First Gas has not submitted a complete set of arrangements and did not complete adequate consultation with industry prior to submitting those parts of the arrangements that it has provided to the GIC.

GGNZ requests that GIC extend the initial consultation period by a month, to close on or about 15 February 2018. GGNZ is happy to discuss with GIC and with other industry participants the implications this will have for the GTAC go-live date, including an interim extension to the VTC. Our primary concern is to ensure the GTAC is subject to a robust and thorough consultation process, for the long-term benefit of the whole industry.

As this is an open letter, we request that you publish it on your website with the other GTAC material.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Anna Casey', with a stylized, cursive script.

Anna Casey
Consultant