



8 December 2017

Steve Bielby
CEO
Gas Industry Company Limited
By email

Dear Steve,

RE: GTAC - Appropriate Consultation

Greymouth Gas New Zealand Limited ('GGNZ') refers to section 22.16(b) of the MPOC and the requirement that there be "*an appropriate consultation process*".

GGNZ has concerns about the consultation process proposed in respect of the GTAC. GGNZ considers the consultation process is not appropriate. The likelihood is that the process shortcomings will impair the integrity of the process.

GGNZ's concerns are:

- 1) First Gas Limited ('FGL') has an opportunity to influence GIC's recommendation (e.g. workshop presentations and submission of other written documents) that is not shared by other parties.

GGNZ proposes that the GIC adopt the following processes to ensure procedural fairness for all parties:

- Submissions may be made by all parties within thirty days of lodgement by FGL of the final form of GTAC
 - GIC in preparing its draft recommendation, must:
 - o consider all parties' submissions, and
 - o commission and have regard to an independent cost-benefit analysis (there is precedent for this with the MBB MPOC change request).
- 2) GIC has provided itself with a two week period in which to review, then publish a draft recommendation on the final GTAC. That is insufficient time. The GTAC is a complex restructure of gas industry transmission and access arrangements and requires proper analysis. This is especially so given the brevity of the FGL consultation process recently. The proposed timeline does not allow sufficient time for the required analysis.

To address this, GGNZ proposes that GIC revises its GTAC assessment paper in a manner that reflects a more deliberate and considered approach. Specifically, we suggest that GIC:

- suspends further consideration of the GTAC, pending completion of the steps below;
- prepares a revised version of its GTAC assessment paper that:
 - o addresses all existing process queries;
 - o reflects the procedural concerns raised in this letter (in particular the points raised and suggestions made in paragraph 1);
 - o establishes a schedule for publication of GIC's draft recommendation that allows sufficient time for full analysis and assessment; and
 - o otherwise records an appropriate consultation process;
- consults industry on its proposed revisions to the GTAC assessment paper and finalises that paper having regard to the consultation;
- completes the GTAC process in accordance with the procedure and timelines so established.

There may be other issues depending on FGL responses to these points and others raised during recent consultation.

GGNZ asks that the GIC responds to these proposals as soon as possible.

Yours sincerely



Anna Casey
Consultant