

GTAC Workshop minutes 7 August 2018  
At the offices of Gas Industry Company Limited  
Level 8, 95 Customhouse Quay, Wellington

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Tuesday 7 August 2018 at 10:00 am

Note: these minutes provide a high level record of the position reached and points raised at the workshop to inform First Gas's design of the gas transmission access code (GTAC).

## **1. Process matters**

### **1.1 Position reached**

- 1.1.1 In relation to the minutes, there was general agreement that it would be useful for the "position reached" and the "points raised" to be recorded during the workshop.
- 1.1.2 The minutes should include a statement of their purpose so that stakeholders are clear what the minutes are intended to achieve.

### **1.2 Points raised**

- 1.2.1 The minutes are intended to record the positions reached at a high level, not individual positions. They are not about recording decisions, but are instead intended to record matters for First Gas's consideration.
- 1.2.2 The process is not about seeking unanimity. The impacts on individual stakeholders is a matter for Gas Industry Co to consider when determining whether the GTAC meets the materially better threshold. Gas Industry Co's assessment role provides First Gas with an incentive to take into account stakeholder views prior to submission of the GTAC.
- 1.2.3 The "position reached" and "points raised" in the minutes guide First Gas's code design and drafting.

## **2. Core terms of Interconnection**

### **2.1 FAP findings**

- 2.1.1 Meter accuracy requirements need to be contained within ICAs (65)
- 2.1.2 OBAs have no entitlement to AHPs, etc. (18, 68). IPs discouraged from using OBA accordingly
- 2.1.3 Shippers not best placed to choose the allocation method (68)
- 2.1.4 Interconnected Parties (IPs) best placed to react to OFOs under curtailment (21, 83)
- 2.1.5 Obligations to protect customers from non-spec gas have been reduced, in particular the shipper right to seek confirmation of compliance (94)
- 2.1.6 Appendix D.1. Needs to include:
  - (a) 7.13(b) Metering requirements (location, ownership, monitoring rights) (160)
  - (b) 7.13(g) details on disclosure of outage information (27, 160)
  - (c) 7.13(r) liability (160)

- (d) 12.2 injection and monitoring of off-specification gas (160)
- (e) Assuring equality of access to IPs
- (f) Need to mesh terms applying to shippers and IPs and those of other IPs to ensure there is coherency of arrangements
- (g) Absence of confidentiality arrangements for IPs (27)

## 2.2 Position reached

- 2.2.1 The applicable technical standards in ICAs need to provide for a minimum standard so that parties are comfortable that a minimum standard applies and will be required to be complied with.
- 2.2.2 The GTAC needs to allow for IPs with existing technology meeting earlier standards so that there is no step change to the requirements (i.e. allow grandfathering).
- 2.2.3 A metering requirements change process will be included in the metering requirements. New metering requirements should allow for consultation with the industry.
- 2.2.4 First Gas will include a list of published material on OATIS, including in Schedule 5 and 6 of the GTAC.
- 2.2.5 The requirement for an IP to ensure that any contract for the purchase of gas requires that the gas complies with the gas specification (section 6.1 of the DP ICA) should only apply to gas transported through First Gas's transmission system.
- 2.2.6 The ability to request demonstration of compliance with the gas specification should extend to IPs.

## 2.3 Points raised

- 2.3.1 First Gas and stakeholders discussed the addition of common and essential terms into the GTAC and the legal mechanism for integration of ICAs with the GTAC. Stakeholders were asked to provide feedback on the appropriate legal mechanism for integration of ICAs with the GTAC and to identify any individual terms that they think should be included or excluded from the list of common and essential terms and should provide supporting reasoning (preferably by 15 September).
- 2.3.2 Stakeholders considered that gas quality and odourisation provisions (in ICAs and the GTAC) should fit with the Gas (Safety and Measurement) Regulations. For example, it should be possible to require testing more frequently than 9 months (having regard to the shippers' need to meet the requirements of the Regulations and increased costs for producers)
- 2.3.3 First Gas should check the wording for exceptions to monitoring frequencies provided for in section 6.10 of the RP ICA (comparing section 6.10 of the RP ICA with MPOC section 17.15).
- 2.3.4 First Gas should check for coverage of gas chromatographs in the definition of metering (in the context of the requirement in section 4.2 of Schedule 5 that gas quantities shall not be determined by "other indirect means").
- 2.3.5 First Gas should consider the exclusion of ramp up/down from the requirements in relation to "Excessive Flow" and "Low Flow" in sections 3.5 and 3.6 of Schedule 5.

- 2.3.6 First Gas should check that the GTAC provides for automatic confirmation of the allocation method selected by the interconnected party.
- 2.3.7 First Gas should confirm the pressure obligations/publication regime to check that parties are receiving at least the same information as that provided for under the MPOC and the VTC.
- 2.3.8 First Gas should revisit the requirement to flow at a "constant rate" (section 3.3 of Schedule 5) in light of IP concerns that they would have difficulty flowing at a constant rate when correcting balancing positions.
- 2.3.9 First Gas to check that the right for the end-user to determine the rules to be applied by the Allocation Agent in section 5.4 of Schedule 6 works for allocation between end-users not covered by the Downstream Reconciliation Rules (e.g. Stratford 3, Ngatimaru Road).
- 2.3.10 First Gas to consider whether the ability to request additional ID cycles should extend to all IPs (not just OBA parties).
- 2.3.11 First Gas to provide an example of RP curtailments under the GTAC (as part of SOPs) and the consequences of not complying with a curtailment direction.
- 2.3.12 First Gas to consider the process for consulting with parties on First Gas's right to disclose confidential information under section 19.5(d) and (e).
- 2.3.13 First gas to check whether the OBA tolerance provisions are reflected in the common and essential terms (having regard to recent changes to tolerances in the GTAC).
- 2.3.14 First Gas to consider whether suspension should be a common and essential term.
- 2.3.15 First Gas to determine the extent of force majeure disclosure (whether the actual FM report is disclosed or whether disclosure is limited to a certain amount of detail regarding the event).

The meeting closed at 5.00pm