

# GTAC Workshop minutes 23 August 2018

At the offices of Bell Gully Auckland

Level 21, Vero Centre, 48 Shortland Street, Auckland

---

Thursday 23 August 2018 at 9:00 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. Term and termination**

### **1.1 FAP findings**

- 1.1.1 Parties should be able to remedy a default prior to termination (105)
- 1.1.2 Termination if amounts unpaid for 10 business days is unfair (105)
- 1.1.3 Whether termination should depend on expiry or sale of all PRs (106)
- 1.1.4 GTAC term is too short to be efficient (103)
- 1.1.5 Continuity following termination (111)

### **1.2 Position reached**

- 1.2.1 The right to terminate TSAs immediately in relation to unpaid amounts and non-compliance with prudential requirements will be subject to an opportunity for the breaching party to remedy the default within 20 business days of notice from the terminating party.
- 1.2.2 Termination should depend on the sale and/or expiry of priority rights (PRs) with additional drafting added to provide the relevant shipper with the opportunity to terminate if it pays all amounts outstanding for the PRs until the end of the term.
- 1.2.3 The term of the GTAC will be extended to 10 years, subject to the point raised below regarding a minimum term of any extension.

### **1.3 Points raised**

- 1.3.1 First Gas should consider whether the ability to extend the term of the GTAC should require a minimum term to avoid a situation like the VTC (extension for successive one-year terms).

## **2. Change Requests**

### **2.1 FAP findings**

- 2.1.1 5 business day deadline for additional information is unfair (26, 105)
- 2.1.2 Draft change request timing does not give enough time for change requestor to review submissions (26, 105)

## 2.2 Position reached

- 2.1.1 The period for parties to make amendments to a change request before submitting the final change request will be 10 business days (instead of 5 business days). The timing of the change request process will be as follows:
- (a) 15 business days after the date on which the draft change request is published – stakeholders are to review the draft change request and request further information from the Change Requestor
  - (b) 10 business days after the deadline for requests for information – the Change Requestor must respond to requests for information
  - (c) 5 business days after the deadline for responses to requests for information – parties to provide submissions on whether they support the change request.
  - (d) 2 business days after the expiry date for submission – First Gas to publish submissions
  - (e) 10 business days after publication of submissions – Change Requestor to finalise and submit the change request
- 2.1.2 First Gas will be able to veto a change request under GTAC s 17.14(a) if the change request would cause any party to breach its obligation to act as an RPO or cause any party to breach any other provision of the GTAC.

## 2.2 Points raised

- 2.2.1 First Gas should review the timing/process of its right to veto change requests. In particular, whether the process needs to restart after an amendment to the change request under section 17.9 of the GTAC.

# 3 Confidentiality

## 3.1 FAP findings

- 3.1.1 Parties should have ability to identify material as confidential (106)
- 3.1.2 A confidentiality undertaking should be required for authorised disclosure (106)
- 3.1.3 MPOC is clearer on the obligation on First Gas not to disclose confidential information (106)
- 3.1.4 Shippers should have an ability to appoint an auditor (106)

## 3.2 Position reached

- 3.2.1 In the definition of “Confidential Information” in GTAC section 20.3, First Gas is to remove the reference to “acting reasonably”.
- 3.2.2 First Gas is to make the confidentiality obligation in the GTAC mutual.
- 3.2.3 First Gas to amend section 20.4 of the GTAC to require that confidential information is not disclosed.
- 3.2.4 Issues relating to the transparency of outage information that may impact the wholesale market for gas is an issue that requires broader consideration than the GTAC process. This matter should be progressed by a separate work stream led by Gas Industry Co. The

test for disclosure of outage information under the GTAC should be whether it affects the efficient operation of pipeline services.

### **3.3 Points raised**

- 3.3.1 Stakeholders are to provide First Gas with their views on the definition of an “outage” in relation to the obligation on IPs to notify outages under section 3.5 of the GTAC (i.e. the threshold for notification). Stakeholders are to revert on whether First Gas can publish the fact of an unscheduled outage at the 4-6 September workshop.

## **4 Supplementary agreements governance**

### **4.1 FAP findings**

- 4.1.1 Checks and balances on entering into SAs (44)
- 4.1.2 No requirement for FG to publish its analysis (163)

### **4.2 Position reached**

- 4.2.1 First Gas is to publish current supplementary agreements on OATIS to the extent that it is able to publish those agreements.

## **5 Next steps**

### **5.1 Position reached**

- 5.1.1 The next workshop will be held on 4-6 September and will focus on the drafting of the GTAC. First Gas will lead a page turn of the GTAC comparing the 8 December 2017 GTAC with the 28 August 2018 version.

The meeting closed at 1.30pm.