



17 April 2018

Andrew Knight  
CEO  
Gas Industry Company  
By email

Dear Andrew,

### **GTAC Preliminary Assessment – Cross Submissions**

Greymouth Gas New Zealand Limited (**Greymouth**) welcomes the opportunity to make a cross-submission on the GIC's preliminary assessment of the Gas Transmission Access Code (**GTAC**). Our responses to the questions posed by the GIC are included in the attached cross-submission template.

We have not at this stage provided any specific comment on the GIC's analysis of drafting issues.

We consider it would be of significant use to the industry and the future of the GTAC process if the GIC were to outline its expectations of the process as it moves into the next phase. This includes:

- Independent facilitation, and how this is to be funded;
- Status of consideration of a regulatory counter-factual; and
- Clarification of what should be submitted for the next GTAC (i.e. successor) assessment. That is, a code on its own should not be considered sufficient unless it also provides for all ancillary arrangements. If it does not, the expectation should be that all ancillary arrangements should be complete and submitted concurrently for assessment in conjunction with the code.

We also note that some of the issues raised in the preliminary assessment overlap with the Commerce Commission's jurisdiction – for example, the treatment of park and loan revenue, and the potential impact of the acquisition by a First Gas related party of the Ahuroa gas storage facility on the code. We understand that First Gas has been in discussions with the Commission on some matters, but we question whether it might be more appropriate for the GIC to discuss with the Commission how it might be able to assist industry in resolving these issues to enable progression of a new code.

We look forward to working with industry to progress the development of a new code.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Boxall', with a long horizontal flourish extending to the right.

Chris Boxall  
Commercial Manager

# Preliminary Assessment of Gas Transmission Access Code (GTAC)

## Cross-Submission Template

The table below identifies some matters that have been raised in submissions on Gas Industry Co's Preliminary Assessment paper on which we would value further information in cross-submissions. The table lists a number of supplementary questions – SQ1 etc – and invites cross-submitter views.

The supplementary question format points to where a relevant quote can be found (“eg Methanex Q3, p6” means we are quoting from page 6 of the Methanex submission) and asks a pertinent question (eg “Do you think peaky usage be discouraged, even when capacity is not scarce?”). You, as the cross-submitter, can decide whether you wish to comment on the quote, answer the question, or do neither.

Cross-submission prepared by: Greymouth Gas New Zealand Limited – contact Chris Boxall

<b>SUPPLEMENTARY QUESTIONS</b>	
SQ1:	If there are matters raised in submissions you would like to comment on, that are not addressed in the questions below, please provide your views here.
	<p>Parties' submissions (including First Gas') generally support the GIC's conclusions.</p> <p>Greymouth sees no basis on which to narrow the four major areas of GIC concern, nor any of the items in the appendix of significant issues. Rather, we expect this to act as a roadmap in GTAC_v2 negotiations.</p> <p>We wish to address the following matters, which are not otherwise covered by this template:</p> <ul style="list-style-type: none"><li>- While we consider that Park and Loan revenue should form part of First Gas' regulated revenue stream, we do not agree with First Gas' proposition in its letter to the Commission that it should be classified as a recoverable cost. Recoverable costs in the input methodologies are clearly intended to cover <i>costs</i> incurred by the system operator in providing transmission services. Park and Loan revenue would be <i>revenue</i> generated by a service associated with the provision of transmission services. We believe the Commission should be asked to advise whether it considers the proposed Park and Loan service properly falls under the definition of gas transmission services.</li><li>- We are concerned about figure 6 in First Gas' submission – there is some material variability to shippers' financial exposure even net of rebates, which is exacerbated by the absence of detailed discussion on daily allocations.</li></ul>

	<p>- We reiterate our view that the next version of the new code that is submitted to the GIC must include all ancillary arrangements.</p>
<p>SQ2:</p>	<p>Methanex Q3, p6: "We disagree that peaky usage should be discouraged only in connection with congestion... the unpredictability of gas throughput and limited line pack capacity... [are why] peaking limits (which apply universally) are imposed to govern behaviour on the Maui Pipeline under MPOC, even though congestion is not a factor. It is also the reason why Methanex is particularly concerned regarding the approach taken in the GTAC of making line pack freely available to users which is also applied in an inconsistent and discriminatory manner."</p> <p><i>Do you think peaky usage should be discouraged, even when capacity is not scarce, and why?</i></p>
	<p>Greymouth believes that peaky usage should not be discouraged. We consider that Methanex raises points wider than whether peaky usage should be discouraged or not.</p> <p>The aim should be to encourage the use of gas, be it flat load or peaky. The arrangements should prevent parties from breaching the physical limits of the system, make causers pay where peakiness impacts others' demand or capacity, and ensure that the fees payable (vs the status quo) are fair and reasonable as between the various load profiles.</p>
<p>SQ3:</p>	<p>Vector Q3: "The determination of whether a Delivery Point will be congested is normally made by First Gas by 30 June each year. We would be surprised if a Delivery Point will potentially or actually be congested every day of the year. We therefore question whether applying a 10 times incentive fee on days when there is a very low likelihood of congestion is efficient."</p> <p><i>For what reason(s) would an F factor of 10 (GTAC s11.4) be appropriate at times when a Congested DP is not congested?</i></p>
	<p>Greymouth agrees with Vector. There are no reasons that factor would be appropriate when there is no congestion.</p>
<p>SQ4:</p>	<p>Todd Q3: "Most of the 'Benefits of diversity' can be achieved with fewer than ten consumers of similar size. That is hardly a number that should 'hinder competition'."</p> <p><i>Regarding the proposed product or pricing design, do you consider that the benefits of diversity would mostly be achieved by shippers who have 10 or more customers? If not, what level of customers would be sufficient to yield the benefits of diversity?</i></p>
	<p>Greymouth disagrees with Todd. We consider that it is not relevant to choose a number.</p> <p>The test should be that any shipper can operate on an even playing field. In that regard, the overs / unders regime creates a major barrier to competition for shippers with fewer customers in a delivery zone (or an end-user wishing to do their own shipping), because that shipper cannot aggregate and off-set DNC to mitigate exposure to overs / unders. This favours large shippers and may limit or prevent competition.</p> <p>This is an issue because the financial risk is based on nominations, not on the</p>

	<p>booking of a reserved capacity number that can be in excess of all demand even if a shipper only has one customer.</p>
SQ5:	<p>Shell Q5: "We consider that the removal of the ability to operate Displaced Gas Nominations (as defined in MPOC) has negative implications for gas trading, and this should be factored into the GIC's assessment."</p> <p><i>Given the GTAC does not have point-to-point nominations, do you consider that the absence of displaced gas nominations would bring any disadvantages such as adverse effects on gas trading, and why?</i></p>
	<p>Greymouth agrees with Shell. Yes – the removal of displaced gas functionality would not allow Receipt Points to optimise their position in certain circumstances, thus exposing them to increased cash-outs and ERM fees.</p>
SQ6:	<p>First Gas Q6: "We also agree that uncertainties raised over tolerances are balanced out by the obligation on First Gas to act impartially."</p> <p><i>Do you think that the GTAC s2.6 obligation on First Gas to deal with Shippers impartially mitigates concerns around how tolerances would be set under s8.5(b)?</i></p>
	<p>Greymouth disagrees with First Gas (also see SQ10). s8.5(b) and (c) are very wide and do not mitigate the concern that First Gas could increase its overall group profits by setting those tolerances to drive increased use of its unregulated related party (i.e. Ahuroa). The obligation to act impartially has no bearing on that issue.</p> <p>Further, we consider more weight should be given to the desirability of parties having certainty around tolerances. First Gas has stated these will be no less than the status quo, so we expect tolerances to be at least as large as those currently prescribed in the MPOC.</p>
SQ7:	<p>Methanex Q6: "In general terms, we don't believe that GIC has sufficiently assessed changes made in the GTAC regarding physical balancing arrangements, particularly in regard to the implications of FGL relaxing its obligations in regard to managing pipeline pressure and line pack (section 8.5/8.6 in particular), and its diminished responsibilities to pro-actively undertake balancing actions when the pipeline approaches the acceptable limits (including through operation of Section 8.6)."</p> <p><i>Do you consider that the GTAC would relax the obligations on First Gas to manage pipeline pressure and, if so, is that detrimental?</i></p>
	<p>Greymouth agrees with Methanex. Yes the GTAC would relax First Gas' obligations to manage pipeline pressure, and yes that is detrimental – please refer to SQ18.</p>
SQ8:	<p>Shell Q6: "The burden of proof should not be on submitters to prove that the ERM mechanism is worse, it should be on the GTAC proposer to demonstrate that it is better than the current system of daily balancing, and in accord with good gas practice that has been proven elsewhere."</p> <p><i>Overall, do you consider that the ERM mechanism, coupled with back-to-back balancing, is likely to improve on, or be worse than, the current balancing arrangements (MBB, coupled with the Balancing and Peaking Pools)?</i></p>

	<p>Greymouth agrees with Shell. The ERM mechanism coupled with back-to-back balancing is likely to be worse than current balancing arrangements for the following reasons:</p> <ul style="list-style-type: none"> <li>- The industry previously accepted a B2B regime, yet First Gas proposes this plus ERM fees which seems excessive when it is unclear what further accuracy the ERM fees are designed to incentivise.</li> <li>- The current MBB model, while not perfect, is okay and does have title transfer. The punitive nature of ERM fees, without title transfer, will not solve the problem nor does it appear to be very efficient.</li> <li>- The various uncertainties associated with the GTAC proposal also make the balancing arrangements worse than the status quo, e.g. tolerances and discretion on incentives.</li> </ul>
SQ9:	<p>Trustpower Q6, 8.11.3: "... the proposal will provide sustained upward pressure onto market prices by incentivising market offers to be \$0.60/GJ ABOVE the last trade, while bids will only be \$0.20/GJ BELOW the last trade."</p> <p><i>Do you consider that the ERM fees will distort the market price of gas compared with the status quo?</i></p>
	<p>Greymouth considers Trustpower's conclusion to be logical. Yes, because it will be a different distortion to the status quo.</p>
SQ10:	<p>First Gas Q7: "We agree that the single balancing regime across the system will have significant benefits in terms of efficiency. We also agree that uncertainties raised over tolerances are balanced out by the obligation on First Gas to act impartially."</p> <p><i>Do you consider that the requirements for First Gas to be impartial (eg GTAC s2.6 and 2.7) should dispel concerns about the uncertainties of how ERM tolerances will be allocated?</i></p>
	<p>Greymouth disagrees with First Gas that uncertainties raised over tolerances are balanced out by the obligation on First Gas to act impartially. The impartiality obligation does not affect whether the discretion (to all parties) is reasonable or efficient compared to the status quo.</p> <p>Further, s2.6 raises queries on whether or not First Gas will be a Shipper and it does not expressly provide that interconnected parties will be treated equally. Also, s2.7 raises queries about Ahuroa – i.e. notwithstanding that a Related Party may be treated on the same basis as other interconnected parties, First Gas could tighten the levels (e.g. reduce tolerances, increase incentive fees, carefully price park and loan) so as to incentivise parties to use Ahuroa. s8.5(b) and (c) are very wide and do not mitigate this concern.</p>
SQ11:	<p>Greymouth Q14, item 2: "We consider that a change in transmission products and access terms should require a reassessment of the basis and terms on which non-standard pricing terms are offered to end-users – policies that may have been appropriate under current codes may no longer be fit for purpose under the new arrangements."</p> <p><i>Do you agree with Greymouth, that the Supplementary Agreements should be</i></p>

	<i>reassessed in light of any change from the current access arrangements to new access arrangements?</i>
	Greymouth wishes to clarify that we consider both existing SAs, as well as the terms on which new SAs are to be offered, need to be reviewed.
SQ12	<p>Methanex Q14, p3: "Lack of transparency due to the non-disclosure of those agreements [SAs] has made it impossible to determine the level of impact they have on the rights of MPOC users during the GTAC consultation process. The lack of transparency is then carried forward under GTAC, as those agreements are not subject to any disclosure requirements under GTAC. GIC comments that GTAC is an improvement over existing codes by reducing information asymmetries and in so doing reducing barriers to competition. We contend that in this respect there is a substantial reduction in the level of transparency that is currently enjoyed by MPOC users."</p> <p><i>Do you consider that the confidential nature of non-standard pricing and other terms of existing SAs would raise more concerns under the GTAC regime than under the current access arrangements?</i></p>
	Greymouth agrees with Methanex. Agreements that may have been appropriate in the context of two separately operated transmission systems may no longer be appropriate under a combined code. Lack of transparency means this cannot be assessed.
SQ13:	<p>Shell Q18: "No party considering entering into gas transmission or interconnection arrangements should be expected sign an agreement which states there are circumstances where the party can be "deemed not to have acted as a Reasonable and Prudent Operator". Such a determination should be determined by the facts. Any necessity for such a "deeming" is indicative of a flawed design in the liability provisions."</p> <p><i>Do you consider that the proposed provisions deeming a party not to be an RPO are significantly worse than provided for in the current codes?</i></p>
	<p>Greymouth agrees with Shell. GTAC section 7.13(c)(ii) requires ICAs to deem a party to have failed to act as RPO if it injects non-specification gas into the transmission system. The proposed deemed failure is not limited in any way – the conclusion is that if a party injects non-spec gas then they will be deemed to have failed the RPO requirement for all purposes and in all contexts.</p> <p>The MPOC also contains a "deeming" provision regarding RPO – in section 17.21. However, its application is limited to the context of the MPOC liability provisions in section 28. That is, section 28.1 limits parties' liabilities under the MPOC except where loss is caused by a party's failure to act as RPO. If a party injected non-spec gas in circumstances that it otherwise acted as RPO, it would be exempted from liability under section 28.1. Therefore, section 17.21 deems <i>for liability purposes</i> that a party injecting non-spec gas cannot rely on an RPO defence to exempt itself from liability. Essentially, the MPOC makes injection of non-spec gas a strict liability offence – for which parties will be liable whether or not they were acting as an RPO when the non-spec gas was injected.</p> <p>This limited application of the "deemed" RPO provision in MPOC contrasts to the general application of section 7.13 in the GTAC. The GTAC is therefore materially worse.</p>

SQ14:	<p>There are some strongly contrasting views on whether the nominations workload would significantly increase the administrative burden for stakeholders. For example, Greymouth Q2: "We consider the potential impact on end-users of punitive fees for incorrect nominations has been underestimated. The workload on those end-users whose shipper agreements delegate nomination obligations to them will increase significantly." And, in contrast, Genesis Q15: "We agree that once the upfront capital cost of the systems upgrade is paid for, the ongoing staffing costs associated with nominations should not be material."</p> <p><i>Do you consider that the proposed nomination arrangements would significantly increase or decrease the administrative burden for stakeholders?</i></p>
	<p>Greymouth considers that it will increase. It is important to take a system-wide view of this.</p> <p>While some parties may see a reduction in the administrative burden, the opposite is true for parties in the supply chain with the ultimate exposure to the incentive fees. As the incentive fees are estimated to double, it is likely that the industry's administrative burden will increase as the supply chain tries to minimise exposure. It does not make that the industry will invest less resources to manage twice the financial risk.</p>
SQ15:	<p>There are some strongly contrasting views on whether the proposed balancing arrangements would increase or decrease spot market activity. For example, Shell Q6: "There is no basis for the GIC's assertion that the GTAC proposal for balancing has the "potential for increased activity in the spot market". With the reduced incentive for shippers to balance, the GTAC proposal will likely reduce the activity on the spot market." And, in contrast, Todd Q6: "Todd agrees with the discussion of the various aspects of the GTAC balancing arrangements. In terms of the assessment, it agrees that the tolerance terms could be improved, but believes the overall efficiency gain is in fact a very material improvement on current arrangements. The likely incentive for greater trading on the emsTradeport gas market is one aspect of that improvement."</p> <p><i>Do you consider that the proposed balancing arrangements would likely increase or decrease the spot market trading your business might engage in?</i></p>
	<p>Greymouth does not consider that there is a simple answer to this question, because GTAC items currently to-be-confirmed or at First Gas' discretion could swing the answer one way or the other. Examples include tolerance settings, the level of the incentive fees, and the park and loan service.</p> <p>The test, for balancing, should be whether or not the balancing arrangements in the GTAC and its associated agreements are materially better than the same in the VTC / MPOC and its associated arrangements. Accordingly, we query whether the GIC (or First Gas) should be giving preference and priority to the emsTP spot market ahead of any bi-lateral spot markets that wholesale market participants may participate in.</p>
SQ16:	<p>There are some strongly contrasting views on whether the proposed requirements for parties to demonstrate the need for a Supplementary Agreement (SA) would likely result in more or less SAs. For example, First Gas Q14: "The assessment seems to miss the importance of requiring parties to demonstrate the need for an SA." And, in contrast, Genesis Q14: "We note that supplementary agreements may be more necessary than the GIC realises in its assessment. For example, Genesis may need to 'contract out' of the GTAC's hourly overrun charge regime to maximise</p>

	<p>gas throughput at Huntly."</p> <p><i>Do you think SAs are likely to become more prevalent under the proposed GTAC arrangements? For what reason(s)?</i></p>
	<p>Greymouth would expect that First Gas' views would differ from other parties' on many issues in the GTAC. We consider that a well-constructed set of arrangements that considers all parts of the supply chain should minimise the need for SAs. The view that the current form GTAC would increase SAs is symptomatic of the GTAC's failure to achieve comprehensive arrangements for the whole of the supply chain.</p>
SQ17:	<p>There are some strongly contrasting views on whether the proposal would bring more excursions from the Target Taranaki Pressure (TTP). For example, First Gas Q19: "The GTAC drafting better reflects reality. As system operator, we endeavour to keep TTP within the range, but there are factors outside of our control that cause divergence. This therefore appears to be more an issue of contractual wording, rather than requiring any change in behaviour from First Gas as system operator." And, in contrast, Methanex Q19, p20: "In regard to there being frequent (but brief) excursions, we consider that the obligation to maintain pressure between 42-48 bar in MPOC does not infer strict observance but it does place an obligation on FGL to act in order to return pipeline pressure to the mandated range. This contrasts with the much weaker reasonable endeavours obligation in GTAC, which is further weakened by the TTP also being subject to the level of "aggregate ERM", which is at best an ambiguous modifier."</p> <p><i>Do you think the proposed arrangements put weaker incentives on First Gas to maintain the TTP, that could lead to more relaxed management and increased costs to interconnected parties?</i></p>
	<p>Yes. While First Gas may be correct that the TTP drafting better reflects reality, we agree with Methanex. There are also other parts of the codes that support the conclusion that there will be weaker incentives on First Gas to maintain the TTP, e.g.:</p> <ul style="list-style-type: none"> <li>- The MPOC requires TTP to be kept as low as practicable, and the absence of this in the GTAC risks: <ul style="list-style-type: none"> <li>o Upstream parties incurring added compression costs or not being able to injected nominated rates (which can impact reserves and value).</li> <li>o First Gas keeping TTP at the high end of the range because, in doing so, it may reduce it or its related party's compression costs at or near Ahuroa.</li> </ul> </li> <li>- The removal of the incentives pool also relaxes the 'stick' which currently serves that purpose in the MPOC.</li> <li>- The amended definition of RPO may provide First Gas with more discretion.</li> <li>- The absence of the Balancing SOP and the park and loan policy is a backwards step.</li> </ul>
SQ18:	<p>There are some strongly contrasting views in relation to gas quality. For example, Methanex Q9, p11: "We believe GIC is misrepresenting "passive" wording in GTAC</p>

	<p>for what is, a substantive reduction in FGL's obligations to protect its customers from the prospect of receiving non-specification gas. In particular, we dispute that the provisions of [GTAC] Sections 12.8 and 12.11 are passive in absolving FGL of responsibilities and liabilities." In item 40, p11, of its submission Methanex lists a number of instances where it considers the GTAC gas quality assurances are significantly less than those of the MPOC. This contrasts with the views of other submitters – eg Contact, Greymouth, MGUG and Todd – who agreed with the Preliminary Assessment that there would be "no noticeable change" in relation to gas quality.</p> <p><i>Do you consider that the Methanex is correct to say that the proposed arrangements would bring a substantive reduction in First Gas' obligations to protect its customers for non-specification gas?</i></p>
	<p>Greymouth disagrees with Methanex, but we are happy to discuss and work through the issues. Gas quality was one area of the GTAC that has had little discussion and debate so far.</p>
<p>SQ19:</p>	<p>There are some strongly contrasting views on whether, if the Overrun (OR) and Underrun (UR) fees are balanced, the proposed level of OR/UR fees would still be a concern. For example, Todd Q16, p8: "As noted above, the formula applied in the GTAC is incorrect. Once corrected, and the value of F is no greater than 2, then these charges are much less (and probably one third less) than the levels projected by GIC because there would be no underrun fees applying. Many of the concerns about GTAC pricing would therefore fall away under this correction." And, in contrast, Genesis Q16: "We are concerned the daily over and underrun charges will increase costs to serve the mass market, which will be exasperated by lower incentive pool rebates. This does not reflect the flexibility the transmission system has been designed to afford."</p> <p><i>Do you consider that, if the OR and UR fees are balanced, the proposed level of OR/UR fees would still be a concern and, if so, why?</i></p>
	<p>Greymouth agrees with Genesis and considers that the conclusion should be expanded to all markets. Yes is the simple answer. The GTAC incentives fees should be less than the VTC / MPOC incentive fees in order to be more efficient, and they should be materially less in order to be materially better. OR and UR fees are punitive when the underlying purpose appears to be to incentivise proper recovery of revenue, rather than to support pipeline operations.</p> <p>The OR and UR fees should be scrapped and shippers should pay tariffs based on demand in uncongested areas without Supplementary Agreements. Nominations can still be made (as at present) to support pipeline operations, but First Gas may even be better placed to do this.</p> <p>We think this argument holds true even when rebates are factored into the equation, because parties do not know, or have any guarantees, over their rebates.</p>
<p>SQ20:</p>	<p>There are some strongly contrasting views in relation to Priority Rights. For example, Trustpower 7.1.14, p7: "We are pleased GIC and other submitters recognise our concerns that: a) the PR auctions may not result in an efficient allocation of risk because if mass market shippers are unable to secure PRs in either the primary or secondary markets they have no effective means of reducing their demand. b) it is also not fair that retailers may not be able to buy affordable PRs and so could become caught in a squeeze between their customers and the competing priorities of the network owner and/or other access seekers." And, in contrast, First Gas s4.2, p29: "While we acknowledge that mass market shippers</p>

	<p>cannot control their customers' demand, we do not believe that PRs are any more onerous than the existing codes. If a mass market shipper does not hold sufficient reserved capacity under the VTC then it will face overrun charges and potential liabilities to other parties for loss if gas cannot be delivered to everyone. If a mass market shipper does not hold PRs under the GTAC then it will face overrun charges and potential liabilities to other parties for loss if gas cannot be delivered to everyone. The key difference under the GTAC is in how the price of scarce capacity is set –with the PR price being set via an auction.”</p> <p><i>Do you consider that the Preliminary Assessment gives undue weight to concerns that, if mass-market shippers may be unable to secure PRs, they have no effective means of reducing their demand?</i></p>
	<p>If we consider the situation reactively, then mass market shippers are unable to effectively reduce demand under the current arrangements or the GTAC. However, given that we think congestion will be well signalled (see SQ3), mass market shippers can proactively manage this risk much better under current codes than under the GTAC.</p> <p>Greymouth agrees with Trustpower and considers that the weighting is correct. The absence of unapproved annual reserved capacity coupled with reserved capacity grandfathering rights means that mass market shippers do have some sort of means to pre-emptively mitigate exposure to overruns. This contrasts with the PR regime (coupled with the removal of grandfathering rights) which does not afford mass market shippers the same pre-emptive guarantees.</p>
SQ21:	<p>There are some strongly contrasting views on whether the level of First Gas discretion is always appropriate. For example, Methanex Q22, p21: “We strongly disagree that FGL discretion is appropriate or fair in regard to providing tailored Specific HDQ/DDQ allowances and we are generally concerned that GIC has not considered this as an area which, on efficiency and fairness grounds, is materially worse than the status quo. Further, we consider the rationale set out in GTAC of ‘striking a balance’, at FGL’s discretion, between the proper operation of the pipeline system against the commercial requirements of particular end users to be entirely inappropriate.” And, in contrast, First Gas Q22, p45: “We agree with the analysis of First Gas discretion. We believe that the areas of discretion identified strike the right balance for a transmission system operator.”</p> <p><i>How have submitter views on First Gas discretion altered your opinion?</i></p>
	<p>Greymouth does not consider the fact that First Gas believes its own drafting on discretion is adequate should be characterised as a “strongly contrasting view” to other parties. Such characterisation suggests that there are differing views as between submitters. First Gas, as the drafter of the GTAC is unlikely to have made any submissions that disagree with its own drafting. Therefore any point of disagreement raised by other submitters could be characterised as “strongly contrasting views” when compared with First Gas. The reality is that other parties do not agree with the level of discretion First Gas has proposed in the GTAC. Greymouth continues in its view that the balance of discretion is tipped in First Gas’ favour.</p>
Q22:	<p>There are some strongly contrasting views on whether the proposed arrangements will provide more transparency. For example, Shell Q23, p11: “In terms of the commitment to publish information, we agree that the GTAC is not as open as MPOC, to the extent that we consider that the GTAC is materially worse than MPOC. In contrast to MPOC, GTAC does not commit to publish in real time: •The</p>

	<p>then-prevailing hourly Scheduled Quantity (SQ) established for each receipt or delivery point (or delivery zone in GTAC); •The metering quantity for each hour at each receipt point or delivery point (or the aggregate delivery quantity in each delivery zone in GTAC); •The imbalance between scheduled and actual flow at each major receipt or delivery point.” And, in contrast, First Gas Q23, p45: “We believe that the publication of interconnection agreements is significantly more transparent than the current VTC. Publication of running mismatch positions is more transparent than either current Code. Moreover, changes suggested to publish reasons for SAs will further increase transparency.”</p> <p><i>In light of the submissions, how do you consider the proposed arrangements compare in relation to transparency to the current arrangements?</i></p>
	<p>Greymouth agrees with Shell – such data is fundamental to how parties balance on a real time basis. Industry needs the contractual certainty of getting information that is accurate, complete and timely, and in any case at least equivalent to the BGIX / Oatis.</p> <p>Greymouth also agrees with First Gas that publication of reasons for approving SAs will increase transparency, but we do not think this improvement is sufficient (refer to Q11 and Q16). We also note that First Gas’ suggestion is out of scope for the GIC’s assessment of the 8 December 2017 version of the GTAC.</p>