

Gas Transmission Access Code – governance options

Date: 12 May 2017.

| Question | Feedback |
|--|---|
| Q1: The report recommends that code changes could be proposed by parties bound by the terms of the code, gas users and gas market operators. Do you agree with the reasoning and recommendation? | Yes, provided that: <ul style="list-style-type: none"> all proposers are expected to develop and make the case for change as a Reasonable and Prudent Operator (see box below). The code will have general obligation of each Party to act as a Reasonable and Prudent Operator in all its operations under code, including in developing and considering changes to the code. |
| Q2: The report recommends that code changes should be consulted on and refined through a process similar to the current VTC process. Do you agree with the reasoning and recommendation? | Yes, provided that: <ul style="list-style-type: none"> Each party is expected to develop their arguments for support or rejection of any code change as a Reasonable and Prudent Operator. The code will have general obligation of each party to act as a Reasonable and Prudent Operator in all its operations under code, including in developing and considering changes to the code. |
| Q3: The report recommends that proposed code changes should be assessed against the Gas Act s43ZN criteria, and that Gas Industry Co is best placed to make that assessment. Do you agree with the reasoning and recommendation? | Yes, provided that the GIC should also confirm that, in its informed view, the proposed change is <i>"equal to or better than good gas operating practice as determined by reference to proper and prudent practices recognised internationally"</i> . |
| Q4: Are there any other matters that you believe are relevant to code changes and need to be considered? | No, provided that the code will have a general obligation on each party to act as a Reasonable and Prudent Operator in all its operations under code, including in developing and considering changes to the code. |

"Reasonable and Prudent Operator" means, in relation to the performance of obligations under the code, an operator whose standard of performance is equal to or better than good gas operating practice as determined by reference to proper and prudent practices recognised internationally.