

# Questions

## Preliminary Assessment of Gas Transmission Access Code (GTAC)

Submission prepared by: Contact Energy Limited

QUESTION	COMMENT
Q1: Do you have any comment on our approach to the analysis?	No, the approach to the analysis is clear and well set out.
Q2: Do you agree with our assessment of the GTAC gas transmission products?	Yes
Q3: Do you agree with our assessment of the GTAC pricing arrangements?	Yes
Q4: Do you agree with our assessment of the GTAC energy quantity determination?	Yes
Q5: Do you agree with our assessment of the GTAC energy allocation arrangements?	Yes
Q6: Do you agree with our assessment of the GTAC balancing arrangements?	Yes
Q7: Do you agree with our assessment of the GTAC curtailment arrangements?	Yes
Q8: Do you agree with our assessment of the GTAC congestion management arrangements?	Yes except that criterion 13 & 18 may be more limiting in respect to the retail mass market.

QUESTION	COMMENT
Q9: Do you agree with our assessment of the GTAC gas quality and odourisation arrangements?	Yes
Q10: Do you agree with our assessment of the GTAC governance arrangements?	Yes
Q11: Do you agree with our top-down analysis?	Yes
Q12: Do you agree with our overall assessment?	Yes
Q13: Do you agree that with our analysis of ICAs?	Yes
Q14: Do you agree with our analysis of SAs?	Yes
Q15: Do you agree with our analysis of nominations?	Yes
Q16: Do you agree with our analysis of daily overrun and underrun charges?	Yes
Q17: Do you agree with our analysis of hourly quantities?	Yes

QUESTION	COMMENT
<p>Q18: Do you agree with our analysis of liabilities? In particular, do you have any particular comments on whether the proposed liability arrangements in relation to the injection of Non-Specification Gas better meet the efficiency, reliability and fairness objectives when compared to the MPOC and the VTC?</p>	<p>Yes. We agree that the injection of Non-specification Gas remains an issue where accountability and liability is left unaddressed. Given FG has the oversight of the points of connection it should take the liability.</p>
<p>Q19: Given that the current, tighter, drafting in the MPOC still results in excursions outside of the 42-48 bar gauge range, what is your view of the revised drafting under the GTAC?</p>	<p>Contact agrees that the TTP should be tightly monitored if excursions risk limiting gas receipts into the pipeline.</p>
<p>Q20: Do you agree that comparing the ERM charges with bid/ask spreads is a sound method for testing the appropriateness of the quantum of those ERM charges? If not, what would be a more appropriate comparator?</p>	<p>Perhaps, it is a starting point.</p>
<p>Q21: Do you agree with our analysis of the incentive charge rebates?</p>	<p>Yes</p>
<p>Q22: Do you agree with our analysis of First Gas' discretion?</p>	<p>Yes</p>
<p>Q23: Do you agree with our analysis of public information disclosure?</p>	<p>Yes</p>

**Additional questions posed by First Gas**

QUESTION	COMMENT
<p><b>How far away from the materially better standard do you think we are?</b>                      For example, do you think we need to fundamentally re-work the access products and concepts; significantly re-work a few items and adjust a range of other items; adjust a range of items; or adjust a few key items?</p> <p>Q24:</p>	<p>Contact believes that there are a few items identified by the GIC which need reworking to meet the materially better standard.</p>
<p><b>How long do you think it will take to re-engage and achieve materially better?</b>                      For example, a similar amount of time as spent so far (August 2016 to November 2017); about half as much time as spent to date; six months; or three months? Do you have any views on an appropriate go-live date for the new code, given the other steps involved (GIC assessment and IT implementation)?</p> <p>Q25:</p>	<p>We believe that if the industry could agree the set of major issues needing rework that another 4-6 months is required to target those items identified. We would prefer a GO-Live that was 1 April 2019 but would also look to delaying to the start to the new gas year start 1 Oct 2019.</p>
<p><b>Do you have any preferences on how the process should be run from here on in?</b>                      For example, in terms of the pathways shown in the decision tree above, should we revise and consult on the GTAC to address the reasons the GIC concluded it is not materially better, should be discontinue the process, or should we start from a blank sheet of paper? Should we use workshops like we have previously; focused work group sessions; one-on-one discussions; or a mix of the above?</p> <p>Q26:</p>	<p>We believe that using the direction provided by the GIC on areas of GTAC weakness the code can be revised and consulted on to amend. Contact does not believe the process should start again with a blank sheet of paper. We see the change process within the code as the correct mechanism to further refine the code post implementation.</p>

