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Ian Dempster  
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Dear Ian

## GTAC: Acquisition of Transaction Management Software

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Genesis Energy Limited (**Genesis**) welcomes the opportunity to provide comments to the Gas Industry Company (**GIC**) on the information paper “GTAC: Acquisition of Transaction Management Software” (**information paper**) and the accompanying letter, “MPOC Change Request 14 July 2017”.

### **A reasonable timeline for shippers**

We appreciate First Gas taking the time to clarify its position in respect of its information technology (**IT**) system requirements and are pleased that First Gas has committed to publishing the functional specifications and data interface for selected software 120 business days ahead of the expected gas transmission access code (**GTAC**) implementation date.

We are however concerned that the information provided fails to provide sufficient detail: pipeline users need to understand how the software will fit within the wider existing First Gas infrastructure as application integration, data integration, process integration and related areas are normally where the greatest difficulty lies in moving to new systems and processes. We will need to know how to connect to this infrastructure, how to access it, and the process for doing so; information about which is yet to be provided.

Therefore, Genesis – and other shippers – will require relevant functional specifications and data interfaces for the wider IT infrastructure 120 business days before implementation. Otherwise, it would be analogous to getting a new car without the key.

This request is consistent with our previous submissions on the matter, where Genesis stated that a six-month lead time is more in line with what should reasonably be expected for pipeline users to carry out the design, implementation, testing and training that will be involved in integrating their existing systems and processes with First Gas' GTAC requirements.

### **The degree of customisation remains a concern**

Genesis has also noted its concerns about the degree of customisation that will be required for the off-the-shelf IT product First Gas intends to purchase; the effect this might have on IT system readiness; and the knock-on effect for other GTAC timelines.

In our view, this remains a concern, and will continue to remain so until consultation and negotiation of the GTAC's content and form is completed. We therefore urge First Gas (and the GIC) to remain aware of the need to have a 'Plan B' should timelines slip, and the importance of communicating any slippage to pipeline users.

To this end, Genesis would like to see First Gas provide more certain dates for industry to follow its progress as it moves through its proposed IT development schedule. The timeline provided in the information paper lacks specificity, which makes it difficult for stakeholders to determine whether First Gas is meeting its timeline targets e.g. it is unclear when implementation is targeted to commence; we can only guess sometime between December 2017 and April 2018.

### **A soft landing is needed**

Given the magnitude of the change at hand, Genesis considers it will be important to allow time for new systems and processes to be bedded-in. We advocate strongly for First Gas and the GIC to reflect on the best possible transitional measures that provide a 'soft landing' for pipeline users as they begin operating under new arrangements.

We suggest there is time allowed for reduced penalties - e.g. overrun fees - for all shippers and First Gas as they get up to speed with the GTAC's requirements. This will allow time for users to get comfortable with the new system and for any unforeseen issues to be resolved.

### **Shipper input via a reference group preferred**

In the information paper First Gas states that it will seek pipeline users' views on the IT system requirements via a shipper representative on the Bid Evaluation Panel or a reference group formed to inform the evaluation. Genesis supports the latter option.

In our view, having a single shipper representative could result in there being too narrow a focus on optimal IT system functionality, particularly considering most shippers have bespoke systems. Having multiple shippers work together on a reference group will account for a wider range of views and is more consistent with the collaborative process that has been a hallmark of the GTAC development to-date.

On this note, we again thank the GIC and First Gas for its regular engagement with industry and willingness to consider feedback from all stakeholders. We look forward to the next draft GTAC due 11 September 2017 and the workshop to be held 15 September.

If you would like to discuss any of these matters further, please contact me by email: [margie.mccrone@genesisenergy.co.nz](mailto:margie.mccrone@genesisenergy.co.nz) or by phone: 09 951 9272.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M McCrone'.

Margie McCrone  
Regulatory Advisor