

SUBMISSION: Gas Industry Co FY2018 Statement of Intent and Levy



Shell New Zealand (2011) Ltd

Submitted by M Jackson, February 3rd 2017

Question	Comment
Q1: Do you have any comments on Gas Industry Co's role or Strategy relevant to development of the Statement of Intent and Levy?	No
Q2: Do you have any comments on the process for developing Gas Industry Co's SOI and Levy?	No
Q3: Do you consider there to be any other items that should be included in the Company's intended Work Programme for FY2018? If so, please describe the work required and how that work achieves the outcomes sought under the Gas Act and GPS?	We consider the resourcing for the single new transmission code could be insufficient given the tight schedule and the likelihood that urgent regulation under the Gas Act might be required to implement it.
Q4: Do you consider there to be any items that should be excluded from the Company's intended Work Programme for FY2018? Please provide reasons for your response?	No
Q5: We are particularly interested in industry comment on the forecast gas volumes - do stakeholders consider the projection reasonable? If not, what would they consider an appropriate gas volume estimate to be?	No comment
Q6: Do you have any comment on the proposed levy for FY2018?	No
<p>Q7: Do you have any comment on the hybrid option proposed?</p> <div data-bbox="264 1066 987 1378" style="border: 1px solid black; padding: 5px;"> <p><i>P23 of Consultation Document</i> <i>The hybrid option would require:</i> <i>1. where gas sales occur at a Maui Pipeline receipt point, the owner of the Maui Pipeline would provide the nominations data for the receipt point that identifies volumes acquired by each shipper who trades at that point; and</i> <i>2. in all other cases, including sales transported via private pipelines, gas producers would be required to provide a monthly schedule of those sales by customer.</i> <i>3. the data in points 1 & 2 above would be required to be forwarded to Gas Industry Co by the last day of the month following the month of gas flow</i></p> </div>	<p>In relation to that part of the hybrid option where producers supply gas for transport other than in the Maui Pipeline we have the following reservations in relation to at least one of those supply points:</p> <ul style="list-style-type: none"> • Shell would only able to provide a schedule of sales of its gas prior to gas treatment. Shell is not in a position to accurately determine (for fiscal purposes) the proportion of that energy that is actually received into the pipeline for gas wholesaling (i.e. some of the gas might be used for process fuel or removed as liquids, or lost in venting prior to the residual gas being delivered to a gas wholesaler as specification gas into the pipeline). • Shell may be prevented from making such disclosures under confidentiality provisions of contracts. <p>If GIC choses to implement the hybrid option, then we request that the GIC confirms that:</p> <ul style="list-style-type: none"> • The monthly schedule of sales by the producer is simply a tabulation of the amount in GJ invoiced to each customer for the relevant period at the relevant delivery point, irrespective of

gas quality, and without adjustment or comment. E.g. In the event that the producer's share of production of gas from the field does not equate to the producer's aggregate quantity of gas invoiced for the relevant period that is set out in the monthly schedule, or does not match the quantity of sales gas actually flowing into a gas transmission pipeline, then the producer is not obliged to make adjustments to the statement or account for the difference.

- A producer will not be responsible for the statement(s) provided by his co-venturer(s);
- The statements will not be required until the last day of the month following the month of gas flow.