

MEMORANDUM

TO: Pipeline Users
 FROM: First Gas
 DATE: 23 November 2017
 RE: **GTAC November Workshops: Actions List**

Remaining design choices for code design – sections to be released before 8 December

	Item	Responsibility
A	Provisions dealing with the relationship between the GTAC and interconnection agreements (e.g. providing fair and reasonable terms of interconnection, evolving ICAs in line with the GTAC, etc)	First Gas
B	Provisions setting out the criteria for approving an Agreed Hourly Profile (AHPs) (including the reasons why an AHP may be declined), streamlining AHP process where possible, whether AHPs should be offered via standard nominations process, whether AHPs should have a tolerance, and the relationships between MHQ, AHPs, and DNC	First Gas
C	Provisions relating to ability to change overrun/underrun charges and ERM charges (i.e. use of specific values, ranges, limits on change)	First Gas
D	Liability provisions (and related ICA liability provisions) that enable the recovery of losses from events involving interconnected parties (such as the injection of non-spec gas)	First Gas
E	Provisions giving effect to D+1 allocations and providing for default allocation if shippers no longer use D+1 allocations or daily information is not available	First Gas

Actions from Friday, 10 November 2017

#	Item	Responsibility
1	Look at separating section 3.18 into two parts – with a clear PR product definition (in the code) and a clear process for establishing PR auction terms and conditions (outside the code)	First Gas
2	Consider whether governance process for finalising PR auction terms and conditions is adequate – and whether GIC approval should be required prior to adoption. Also consider how any compliance roles might be defined	First Gas
3	Consider adding objectives, principles and process for setting parameters such as upper and lower line pack limits, running mismatch tolerance (for shippers and OBA parties), and specific HQ/DQs	First Gas
4	Request further details for how particular supplementary agreements will be re-negotiated, where greater certainty is required prior to GTAC finalisation	Shippers / First Gas

#	Item	Responsibility
5	Consider change to ability for parties to dispute transmission invoices (and relationship with GTPM) to retain rights afforded under existing codes	First Gas
6	Consider inserting an obligation to provide an estimate of ongoing operating and maintenance costs prior to discontinuing service to uneconomic delivery points (sections 2.10 and 2.11)	First Gas
7	Reconsider ability to change receipt zone without consultation, given the impact on counterparties and the implications on other parts of the GTAC (section 3.2)	First Gas
8	Amend to “and/or” (section 3.4)	First Gas
9	Consider how PR auction terms and conditions will deal with the question of whether to offer all available operational capacity as PRs (section 3.13)	First Gas
10	Consider providing greater clarity on criteria for approving an Agreed Hourly Profile (AHP), including the reasons why an AHP may be declined (section 3.26). Reasons may include adverse impacts on other parties.	First Gas
11	Add “or other parties” to section 3.26	First Gas
12	Consider how to streamline AHP process where possible, and any implications of AHPs on PRs	First Gas
13	Add “subject to DRRs” (or equivalent effect) to section 5.2	First Gas
14	Consider use of “and” or “as applicable” in section 7.1	First Gas
15	Consider whether actions in response to breach of line pack limits should be specified as a firm hierarchy (section 8.6). Also consider removing section 8.6(a), since line pack limits will apply across the system as a whole. Also consider consistent wording in definition of High and Low Line Pack notices	First Gas
16	Consider whether range/limits should apply to Excess Running Mismatch charges to give parties more certainty, and/or whether these charges should only be changed via an urgent change request (section 8.14)	First Gas
17	Consider whether ability to offer park and loan should be subject to not adversely affecting other parties (as with AHPs). Also consider relationship with section 8.22	First Gas
18	Consider deleting (e)(i) from the definition of emergency in section 9.1	First Gas
19	Consider if consultation timeframes should restart if First Gas does not proceed with maintenance (section 9.2)	First Gas
20	Consider party best placed to receive and act on an OFO – which may be the interconnected party at a dedicated delivery point and Shippers at a network delivery point (sections 9.5 and 9.6)	First Gas
21	Consider the “best endeavours” obligations on Shippers and consider describing the steps in a process of issuing and responding to an OFO (sections 9.5 and 9.6)	First Gas

#	Item	Responsibility
22	Reconsider notification and curtailment following an OFO in light of any changes to sections 9.5 and 9.6 (sections 9.7, 9.8 and 9.11)	First Gas
23	Consider whether range/limits should apply to overrun / underrun charges to give parties more certainty, and/or whether these charges should only be changed via an urgent change request (sections 11.4 and 11.5)	First Gas
24	Consider whether First Gas should be required to disclose the likely cost impacts of any proposed change to the GTAC, or exercise its veto, early in the change process (section 17.14)	First Gas
25	Consider issuing a guideline on how change requests will be evaluated, including urgent changes made by First Gas and subsequently considered by the GIC (section 17.19)	GIC

Actions from Friday, 17 November 2017

#	Item	Responsibility
26	Consider whether AHPs should be offered via standard nominations process (Genesis preference)	First Gas
27	Consider whether AHPs should have a tolerance	First Gas
28	Check relationships between MHQ, AHPs, and DNC for consistency. Consider whether sum of AHP must equal DNC	First Gas
29	Provide further feedback on GTAC peaking provisions	Greymouth Gas
30	Review liability provisions in GTAC to provide link with Interconnected Parties (as per MPOC incentives pool) for losses such as the injection of non-spec gas	First Gas
31	Review RPO standard between ICA and GTAC re non-spec gas (can a producer be an RPO if it has the processes in place but nevertheless injects non-spec gas)	First Gas
32	Review use of intra-day nomination cycles at receipt points and ability for gas producers to provide hourly NQ at receipt points	First Gas
33	Consider whether First Gas obligation to control linepack should be extended to also controlling pressure, particularly in parts of the system where pressure has known impacts (such as TTP)	First Gas
34	Consider relationship between shipper mismatch and TTP, and whether obligation to meet TTP should be suspended due to issues with shipper mismatch	First Gas
35	Review nominations processes for OBA Parties (intra-Day changes seem to use deemed flows of gas even if the actual flows have exceeded those amounts - sections 4.12-13)	First Gas
36	Consider setting standards on the information parties must provide about planned and unplanned outages (section 7.13(g))	GIC

#	Item	Responsibility
37	Consider how Interconnected Parties can be assured of non-discriminatory access (and whether an equivalent to section 2.7 is appropriate)	First Gas
38	Consider how ICAs can change as GTAC changes, e.g. by requiring updates when relevant provisions of GTAC change	First Gas
39	Publish an example GTA (or refer to examples already in public domain).	First Gas
40	Consider publishing a standard form allocation agreement or principles in section 7	First Gas
41	Consider whether basing RM tolerances on previous day DQs is appropriate – particularly on unusual days	First Gas
42	Clarify adoption of D+1 allocations - consider incorporating D+1 by reference (or adding principles), and confirm that GTAC will abide by any industry allocation agreement	First Gas
42	Incorporate a fallback allocation into the GTAC (e.g. pro-rata allocations on nominations) to take effect if shippers no longer use D+1 allocations or daily information is not available	First Gas
43	Investigate 7 day a week D+1 information provision (or only apply incentives on business days)	First Gas
44	Consider GIC mandate to carry out D+1 allocation tasks	GIC / DAWG
45	Consider how wash-ups affect positions at the start of each Day? Do these affect every calculation – financial, gas quantities (or hybrid as per the status quo)	First Gas
46	Consider possible mathematical issue with PRs that it may be impossible to supply full PRs because of deemed flows that have been used by non-PRs. Proposed outcome: PRs can be curtailed pro rata to each other (but DNC not backed by PRs can't be reduced below deemed flow)	First Gas
47	Consider application of extra nominations cycle (section 4.19) – whether to allow more than one in any Day. Also consider application at receipt points	First Gas
48	Consider what actions First Gas will take in the event of IT systems failure	First Gas
49	Provide further information on credit/rebate of transmission incentive fees (underruns / underruns)	First Gas
50	Consider removing references to multiple receipt zones in section 3.2.	First Gas
51	Review definition of mismatch, running mismatch and other definitions to ensure that trades are accounted for.	First Gas
52	Publish Terms of Reference for Sapere GTAC cost benefit analysis	First Gas
53	Consider how the GIC will take into account any additional commentary it receives on commercial matters during the consultation period it will hold on its assessment of the GTAC	GIC
54	Consider relationship between non-OBA allocation agreements and interconnection agreements at dedicated delivery points.	First Gas