

## QUARTERLY NEWSLETTER

### Key points in this issue:

- The Gas Industry Co's Annual Report 2005 is available.
- The Company is holding its Annual General Meeting on 22 September 2005 when two new industry directors will be elected.
- Substantial progress is being made by Working Groups against the Company's work programme:
  - **Wholesale Markets** – Planning to deliver a concept design for new wholesale market arrangements by the end of the year.
  - **Model Contracts** – Consultation document will be released in November.
  - **Switching & Registry** – Consultation document will be released in October.
- The Gas Industry Co will be holding an industry forum in early November to update stakeholders on the company's workstreams.
- Appointments for a core internal team are now being finalised, with announcements due shortly.

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## Annual Report

The Gas Industry Co has finalised its 2005 Annual Report, which includes:

- An overview of the company’s statutory governance arrangements;
- A review of the company’s operations in its first year, including progress against objectives;
- Financial Statements for the 2005 financial year.

The Annual Report is currently being distributed to stakeholders and is available from the Gas Industry Co’s website ([www.gasindustry.co.nz](http://www.gasindustry.co.nz)).

## Annual General Meeting

The Gas Industry Co is holding its Annual General Meeting of Shareholders on 22 September 2005. At the AGM, elections will be held to replace two industry directors, who have retired from their industry roles. Nominated candidates for these positions are:

<b>Ajit Bansal</b>	<b>Commercial Manager</b>	<b>Shell (Petroleum Mining) Company Ltd</b>
<b>Kevin Johnson</b>	<b>Executive Director</b>	<b>Bridge Petroleum Ltd</b>
<b>Murray Jackson</b>	<b>Chief Executive</b>	<b>Genesis Power Ltd</b>
<b>Nigel Barbour</b>	<b>General Manager Commercial and Corporate</b>	<b>Powerco Ltd</b>

Denis Clifford, an independent director, has offered himself for re-election to the Board. In the absence of any other board nominations being received, Denis Clifford will be regarded as having been re-elected.

## Recruitment

The Gas Industry Co is finalising the appointment of its new staff, with the majority of key positions now filled. It is expected that the full team will be in place around the beginning of November.

## Industry Forum

The Gas Industry Co will be holding an industry forum in early November 2005. The purpose of this forum is to update industry participants on the progress the Company is making against its various workstreams.

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## Working Groups

### Wholesale Market Working Group (WMWG)

As its first key output, the WMWG is preparing a report on wholesale market design, which addresses:

- Background and key characteristics of the gas industry;
- Experience and approach in international gas markets;
- Objectives for the gas wholesale markets in New Zealand;
- The options for new wholesale gas trading arrangements and their evaluations;
- Recommendations.

It is anticipated this report will be completed before the end of the year. The WMWG is also looking at issues relating to access to Gas Processing Facilities and Gas Specification. All recommendations will be subject to formal consultation in due course.

### Model Contracts Working Group (MCWG)

The MCWG has made considerable progress against its work programme. The working group has undertaken research on retail contract issues, including looking at the Electricity and Gas Complaints Commission's Gas Consumer Code of Practice, and from this analysis has developed model contract guidelines. We expect a consultation document incorporating the working group's findings will be issued to stakeholders in November.

### Switching & Registry Working Group (SRWG)

The SRWG has made significant progress against its work programme. The working group has reviewed existing work on developing switching arrangements for retail gas consumers and has identified issues with existing arrangements. From this analysis, the working group has identified options for addressing these issues.

It is anticipated that a consultation document, incorporating the switching and registry options considered by the working group and the functionality specifications of the preferred arrangement, will be issued in October.

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## **Other Workstreams**

### **National Gas Outage Contingency Plan (NGOCP)**

The Gas Industry Co's objectives under the Gas Act include, ensuring that risks relating to security of supply, including transport arrangements, are properly and efficiently managed by all parties. In line with this objective, the WMWG has been asked to examine contingency arrangements for the industry, including the National Gas Outage Contingency Plan.

### **Allocation & Reconciliation**

It is planned that a project team will be formed to look at downstream allocation and reconciliation issues. The project team will undertake a review of the current arrangements, and suggest improvements for the future. Their recommendations will be shared with both the WMWG and SRWG for their input before being developed for consultation with stakeholders.

### **Gas Transfer Code**

The Gas Industry Co has been asked by NGC to progress the development of the Gas Transfer Code. The Gas Transfer Code addresses issues relating to the transportation and transfer of gas on and between gas transmission pipelines. The WMWG has been asked to consider and make recommendations on finalising and implementing the Code.

## **Premises Update**

The Gas Industry Company will be moving into its permanent premises at Level 9, State Insurance Tower, 1 Willis Street, Wellington on 19 September.

## **How To Contact Us**

If you would like to be on the Gas Industry Co's distribution list, please email your contact details to: [info@gasindustry.co.nz](mailto:info@gasindustry.co.nz), or post to:  
Gas Industry Co, PO Box 10-646, Wellington.