

SUMMARY OF ISSUES IN ORDER OF RESPONDENTS' PRIORITIES

Matter	Priority
Capacity	7
Balancing (includes D+1)	6
Long –term transmission/transmission access	3
Gas Quality	3
Gas Distribution	2
SW Rules Review	2
DR Rules Review	2
E-Gas liquidation matters – insolvency issues	2
Wholesale Market	2
MPOC	2
Interconnection	1
Consumer/retail issues	1
GIC role	1
Direct use of Gas	1
Standard File Formats	1

Industry Participant	Key priorities	Comments
Genesis Energy	<ul style="list-style-type: none"> Balancing (including D+1) Reconciliation Rules Review Switching Rules Review (including consideration of extension to LPG bottles) 	<ul style="list-style-type: none"> Feels that Transmission Capacity is an issue for ComCom. Also not sure that there is a serious problem to be resolved. If there is a problem, this issue (capacity) would supersede Balancing. Industry performance review will be important but expect this to be handled mainly by MED. Not priority: private pipeline access, demand forecasting, distribution governance, and gas quality.
GasNet	<ul style="list-style-type: none"> Standard File Formats for information transfer between Networks and Retailers ICAs between Network Operators and TSOs (as per GasNet submission on Distribution) Industry-wide process to manage non-spec gas (as per GasNet submission on Gas Quality) 	<ul style="list-style-type: none"> Notes that standard file formats were considered at the Retail Gas Governance Forum and a draft developed; unsure of current status.
Rinnai	<ul style="list-style-type: none"> Appliance sector perspective is that the industry needs to focus on growth – there is a need to look at the barriers to increasing the uptake of the direct use of gas, and developing domestic growth strategies 	<ul style="list-style-type: none"> Concerned that there is insufficient competitive pressure for gas to be marketed as an energy alternative to electricity.
MDL	<ul style="list-style-type: none"> Detailed comments on Balancing (D+1), Capacity, and Interconnection Additional work: prudential requirements and arrangements for Liquidation of Shippers and Distributors Matters arising from E-Gas Liquidation (Believes that some contingency planning for similar events is likely to be required. 	<ul style="list-style-type: none"> Comments also made on: Upstream Reconciliation (not sure of need); MPOC/VTC Changes (faster process required for simple changes); and the Rules Review Noted submissions made on Gas Quality and Distribution

Industry Participant	Key priorities	Comments
Hale & Twomey Arete Consulting (on behalf of certain major users)	<ul style="list-style-type: none"> Addressing long-term arrangements for gas transmission (not just short-term capacity issues) Short term issues of capacity Developing a wholesale market (concerned that market will be shut down due to lack of interest without full examination of underlying causes of non-participation). 	<ul style="list-style-type: none"> Representing: Fonterra, Carter Holt Harvey, NZ Steel, NZ Refining Co, and Balance Wish to see more detailed justifications for proposed work items (i.e. Gas Act and GPS objectives met, etc) Feel that statutory duties (maintenance) should be separated from “discretionary” policy work Strategic issues include: decline in the diversity of the gas market, concerns about supply security and reserves information, and the low exploration activity in NZ.
Carter Holt Harvey	<ul style="list-style-type: none"> Long term arrangements for gas transmission Short term issues of gas transmission capacity 	<ul style="list-style-type: none"> Currently feel inhibited in planning for and using increased quantities of gas in operations at 2 plants (apparently due to capacity issue). Transmission charges have increased at higher than inflation.
O-I New Zealand	<ul style="list-style-type: none"> Vector Capacity (1) Balancing and D+1 (2) Distribution (3) 	<ul style="list-style-type: none">
MEUG	<ul style="list-style-type: none"> How the GIC expects its role to change over the next year. Improving competition. Empowering consumers with better price information and price certainty. 	<ul style="list-style-type: none"> Given the potential for a new GPS in the near future, and following the recent establishment of the Electricity Authority, does Gas Industry Co expect similar changes to be made to its own mandate and purpose. How does GIC expect to be affected by the Commerce Commission’s regulation of gas pipelines? MEUG agrees with comments in Hale & Twomey / Arete Consulting Submission. GIC should consider providing the market with better price information (look at the recent Electricity Commission initiative to publish contracts over a certain level).
Methanex	<ul style="list-style-type: none"> Downstream & retail market issues, including Balancing (D+1) Improve the relationship between the Maui Pipeline Operator and downstream network operator (s). Facilitate improved interaction between MDL and users, especially regarding development of the Code. 	<ul style="list-style-type: none"> Want to see value for money in work programme. Priority can be reduced on: Upstream Reconciliation, Interconnection, and the Wholesale Market. See value in the development of Balancing Rules, but these should not be prescribed by GIC

Industry Participant	Key priorities	Comments
Mighty River Power	<ul style="list-style-type: none"> • Vector pipeline capacity. • Gas allocation integrity. • Gas Specification. • Gas Balancing (related to 2nd point above). 	<ul style="list-style-type: none"> • The industry needs more transparency on available capacity and planned future pipeline builds to provide confidence in capital investment • Processes need to be put in place to ensure parties accurately submit and allocate gas volumes to avoid another E-gas situation • Accountability for monitoring, reporting and rectifying non-specification gas needs to be clear and enforced. • Consistent with international best practice, gas quantities need to be allocated on a daily basis so that those on periodic metering can effectively manage their gas positions.
Powerco	<ul style="list-style-type: none"> • Management of gas quality • Transmission access and transmission balancing • Periodic audits of industry processes to comply with switching and reconciliation rules • Addressing retailer insolvency 	<ul style="list-style-type: none"> • Low priority: Distribution issues should be reviewed only once the Commerce Commission finishes its DPP work; and Powerco support the voluntary retail contracts oversight scheme in place of regulation. • Gas Industry Co has a role in ensuring that the industry is able to deliver strong price advantage versus other fuels, unquestionable reliability, and clear information about the benefits of gas.
NZ Steel	<ul style="list-style-type: none"> • Short term issue of Vector Capacity • Development of wholesale market • MPOC/VTC changes (notification and change management) 	<ul style="list-style-type: none"> • Support submission from Hale & Twomey and Arete Consulting • Expect strategic priorities to be aligned with Gas Act and GPS objectives