

18 January 2019

Ian Wilson

Gas Industry Company Ltd

WELLINGTON 6140

Dear Ian,

Re: Consultation on Preliminary Assessment of October 2018 Gas Transmission Access Code (GTAC)

1. This submission responds to GIC's preliminary assessment paper (PAP) dated 5 December 2018 on the second proposed GTAC submitted by First Gas (FG) on 31 October 2018.
2. This submission is being made on behalf of the Major Gas Users Group (MGUG):
 - a. Ballance Agri-Nutrients Ltd
 - b. Fonterra Co-operative Group
 - c. New Zealand Steel Ltd
 - d. Oji Fibre Solutions Ltd
 - e. Refining NZ
3. Nothing in this submission is confidential and some members may choose to make separate submissions.
4. As part of the industry process MGUG indicated to FG on 3 October 2018 that it considered GTAC ready to be submitted to GIC for this preliminary assessment. We indicated then that MGUG supported GTAC as a viable alternative to the status quo arrangements. Amongst other things we supported GTAC because of its focus on maximising physical capacity and therefore likely to encourage more efficient use of the pipeline network. We note efficiency has been a material element in GIC's assessment.
5. Generally therefore we support GIC's overall assessment (Question 11), that GTAC is materially better than the existing arrangements.
6. We consider GIC's assessment to be comprehensive and have no material concerns with it. We have appreciated the assessment approach (bottom up/top down including a more holistic view). We have also been encouraged by both the openness of FG and the industry in the development of the code. We consider that if there are shortcomings revealed by the implementation of the code we would anticipate there will be ongoing evolution of the document to improve it further.

Yours sincerely



Richard Hale/Len Houwers

Hale & Twomey Ltd/Arete Consulting Ltd

Secretariat for the Major Gas Users Group