



Fonterra Co-operative Group Limited
PO Box 10397, Hamilton, New Zealand
80 London street, Hamilton, 3241
www.fonterra.com

9th December 2019

Gas Industry Company
Level 8, The Todd building
95 Customhouse Quay
Wellington
New Zealand

Attention: Andy Knight

Dear Andy,

Re: Information Disclosure - Problem Assessment

We welcome the opportunity to provide feedback on the *Information disclosure: Problem assessment* discussion paper.

Fonterra is a member of the Major Gas Users' Group (MGUG) and Major Electricity User Group (MEUG) and supports the points raised in those submissions, as well as making additional points in this submission.

As a member of the Major Gas Users Group (MGUG), Fonterra appreciates being part of the ongoing discussions to understand the timeline and approach to the development of information disclosure in the gas industry.

Overall, we agree with the approach and outcomes of this discussion paper following the previous consultation, *Options for Information Disclosure in the Wholesale Gas Sector (April 2019)*. We submitted a response as part of this consultation and our position is unchanged.

We would like to make the following comments on the current discussion paper:

1. Information disclosure of both planned and unplanned outages in the upstream sector is important to Fonterra for reliability of gas supply to our manufacturing plants. This is also important to maintain on-going confidence in the transparency of information disclosure in the electricity market to ensure robust and fair electricity pricing. On this basis we continue to support a mandatory, rules-based outage disclosure regime.

2. Fonterra supports sharing information on our planned outages but would like to clarify that we see no benefit in sharing our unplanned outage information. An unplanned outage would likely occur at only one of our sites at a time, so the impact to the supply network would be minimal.
3. We support the different elements in the upstream sector identified in this discussion paper. This includes the addition of gas storage outage information and the assessment statements for each element. We would like to understand how this information can be used for co-ordination of outages across the entire upstream sector to reduce risk of outage events affecting supply to consumers. We see considerable risk currently where multiple planned outage events occur simultaneously across the upstream energy sector. This includes gas and electricity outages and supply.
4. We agree that data around price and volume may be sensitive and should not be disclosed. However, we would like to see information on long-term gas supply availability beyond 2P profiles to enable future capital planning. We agree that there is no benefit to repeating this information but would like to see GIC work with MBIE to ensure this information is available on a more timely basis.
5. Regarding section 13 of the paper on major gas users' providing forecast consumption information, we agree that there is no significant problem identified that this information would address and believe that it should not be included.

We look forward to engaging in further discussions with you on this topic.

Yours sincerely

Andrea Gibson



Energy and Utility Manager

Andrea.Gibson@fonterra.com