

Sent: Friday, 7 June 2019 3:09 PM

Subject: Revision to First Gas' Critical Contingency Management Plan (CCMP)

Good Afternoon,

The purpose of this email is to provide an update on the following critical contingency related matters:

1. Revision to First Gas; Critical Contingency Management Plan (**CCMP**) to accommodate the commencement of the Gas Transmission Access Code (GTAC) and its associated IT systems;
2. Overview of CCMP Amendments;
3. Large Consumer & Retailer Update Template; and
4. Critical Contingency Contact Details.

1. Revisions to First Gas CCMP to accommodate GTAC

Earlier this year, the Gas Industry Company (GIC) confirmed that the GTAC is materially better than both the Maui Pipeline Operation Code (MPOC) and Vector Transmission Code (VTC) having regard to the objectives of the Gas Act 1992. First Gas had advised that the GTAC and its supporting IT systems will "go live" from 01 October 2019. First Gas' current CCMP makes reference to the existing operating codes as well as the OATIS IT system that customers presently use to schedule and transport gas on the transmission system. Therefore, First Gas' CCMP needs to be revised to accommodate the commencement of the Gas Transmission Access Code (GTAC) and its new IT systems from 01 October 2019.

Changes to a CCMP that both the TSO and Critical Contingency Operator (CCO) consider to be more than immaterial are required to go through both a stakeholder consultation and independent expert review and approval process. This process and the associated timeframes are set out in the CCM Regulations. For ease of reference and context in the current circumstances, we have compiled the **attached** indicative timetable that sets out the required steps, CCM Regulations references and the applicable timeframes. Based upon the indicative timetable First Gas is looking to have the revised CCMP approved by early September 2019. This leaves some time prior to 01 October 2019 to address any unforeseen issues that may arise as part of the CCMP review and approval process. This email constitutes the required consultation on the draft proposed amendments in accordance with section 26(c) of the CCM Regulations.

You will also note that the attached timetable also includes some information pertaining to the updating of the CCO's Communications Plan and Information Guide. The CCO will provide further information on these matters in due course.

If you wish to make a submission on the proposed changes, please send it to

James.Murch@firstgas.co.nz by close of business Friday 28 June. As required by the CCM Regulations, your submission will be forwarded to the GIC. We will also publish all submissions on their website unless they contain confidential information. We will consider all submissions made before submitting a final amended plan to the GIC for approval in accordance with the CCM Regulations.

For the avoidance of doubt, the existing CCMP and its processes apply until such time as the revised CCMP is approved by the independent expert and the GIC and the commencement date for the revised CCMP confirmed.

2. Overview of CCMP Amendments

The key changes to the First Gas CCMP are as follows:

- (a) Removing references to the MPOC, VTC, OATIS or concepts and functionalities associated with these. These will be replaced with their GTAC and new IT-systems' equivalents.
- (b) Providing more information on where and how stakeholder contacts are stored, coupled with the notification mechanisms that will occur through TACOS during critical contingency circumstances.
- (c) During the last revision of the First Gas CCMP, the independent expert observed that the document could be made more concise by focussing on the activities and actions required by the parties involved. The independent expert also suggested that any accompanying background, rationale and guideline material should be organised into appendices or located outside of the CCMP itself. We have endeavoured to address this suggestion by:
 - Moving further rationale or background information to the 11 Appendices contained within the CCMP;
 - Making up front reference to the location of the critical contingency quick reference guides that have been published by First Gas. These short guides provide stakeholders with a more focused summary of the key processes and information flows for their particular group, including communications with both the TSO and the CCO. These quick reference guides have also been updated to reflect the change to GTAC and are also attached for stakeholders information;
 - Simplifying content where possible.
- (d) Confirming that the CCO will have a dedicated "CCO" login role for TACOS that will enable the CCO to continue to access information required pursuant to sections 38 and 38A of the CCM Regulations.
- (e) We have also carried out some additional analysis and considers that the minimum pressure threshold (Pmin) applicable to KGTP for critical contingency purposes can be reduced 37.5 barg in the current CCMP to a figure of 35 barg. The time to Pmin remains at 3-hours. This has been discussed with the CCO, who agrees with this change. This proposed change falls within the ambit of the minimum operating pressure range already prescribed in the CCM Regulations.
- (f) Updates to Appendix 4 contact details for stakeholders.
- (g) Replacement of the two distinct critical contingency imbalance methodologies with a single, GTAC-focussed set of steps for calculating critical contingency imbalances and providing that information to the GIC. The critical contingency imbalance methodology has been simplified as a result of there being a single transmission code and is premised on the Mismatch positions of Shippers and OBA Parties.

It is important to acknowledge that while changes have been made to the CCMP to accommodate the GTAC and the new IT systems, the requirements of the CCM Regulations have not changed. Consequently, post 01 October the CCO, TSO and other stakeholders will still be subject to the core critical contingency concepts and processes contained within the CCM Regulations.

3. Large Consumer & Retailer Update Template

No changes have been made to the current Large Consumer & Retailer Update Template. As advised prior to critical contingency test exercise Matatau in May this year, we are aware from previous exercise feedback that there are aspects of the current template that could be made more “user-friendly”. Some suggested amendments were proposed by an industry participant and have been reiterated in feedback from exercise Matatau. We believe that this particular information flow should be automated and would like to explore this possibility with industry representatives as part of phase 2 development of TACOS following go-live on 01 October 2019.

4. Critical Contingency Contact Details

It would be appreciated if the recipients of this email could also take this opportunity to review and update your company’s operational contacts as listed on the OATIS system. If you do not currently have access to the OATIS system and wish to check or amend the contact details that First Gas stores for critical contingency notification purposes, then please contact commercial.analyst@firstgas.co.nz.