

Agenda for Commerce Commission Gas DPP quality standards workshop

24 May 2016, 1.00pm – 4.00pm

Maui Room, Gas Industry Company, Level 8, Todd Building, Customhouse Quay,
Wellington

Attendees

Commerce Commission		
<ul style="list-style-type: none"> • Graham Phelan, Senior Economist • Matthew Lewer, Manager Price-Quality Regulation • James Mulrennan, Analyst • Rochelle Hill, Assistant Analyst • Simon Todd, Chief Advisor • Tricia Jennings, Project Manager • Tim Hewitt, Senior Analyst 	<ul style="list-style-type: none"> • Ben Gerritsen, Managing Director • Sharon Wray, Fuels Manager • James Whistler, emsTradeport Manager • Kristina Raba, Market Analyst • Linda Thompson, Energy Manager • Andre Walker, Senior Advisor • Ian Dempster, General Manager, Operations • Ian Wilson, Senior Technical Advisor • Geoff Evans, General Manager • Wayne Armishaw, Engineering Manager • Rebekah Cain, Regulatory Advisor • Richard Hale, Director • Jelle Sjoerdsma, Technical Advisor • Lyndon Haugh, Energy Manager • Nathan Hill, Regulatory Advisor • Nicolas Vessiot, Gas Asset Strategy Manager • Richard Fletcher, GM Regulation and Government Relations • Peter Thorley, Group Manager Gas Distribution, Asset Resilience • Richard Sharp, Head of Regulatory 	<ul style="list-style-type: none"> Castalia Contact Energy emsTradeport emsTradeport Fonterra Gas Industry Company Gas Industry Company Gas Industry Company GasNet GasNet Genesis Hale & Twomey Ltd Maui Development Ltd Oji Fibre Solutions Powerco Powerco Powerco Vector Limited Vector Limited

Purpose of the workshop

The purpose of the workshop is to encourage open discussion about:

- quality of service in the gas transmission and gas distribution sectors, and
- the role the upcoming gas default price-quality path (DPP) reset has to play in ensuring suppliers deliver services at a level that consumers demand.

We intend to share our emerging views on how we should assess quality of service in the DPP context, as well as our initial thoughts about what changes may be warranted for transmission and for distribution.

The workshop will primarily focus on changes to the DPP quality standards, but will also cover our views on all the regulatory tools we have (including Information Disclosures and Asset Management Plans) available to promote quality of service, and how they are best used.

Key questions for attendees

1. What measures of performance are the most important from a consumer point of view – for transmission and for distribution?
2. To what extent do you consider that existing regulatory arrangements are adequate for delivering the quality of service consumers expect? (Both in terms of the measure they cover, and the standards they deliver.)
3. Are any concerns you may have about quality of service principally information-related or performance-related?
4. From a supplier point of view, what sorts of measures are likely to be simple to implement, and what sorts of measures are likely to be difficult or costly to implement?

Background

Materials that may be of interest to workshop participants are:

- Commerce Commission – Review of gas pipeline businesses' asset management plans – MWH report – 16 October 2015
<http://comcom.govt.nz/dmsdocument/13887>
- Commerce Commission – Gas DPP Process and Issues Paper – 29 February 2016
<http://comcom.govt.nz/dmsdocument/14104>
- Gas Industry Company – Transmission Pipeline Security and Reliability
<http://www.gasindustry.co.nz/dmsdocument/5273>

We also propose discussing the regulatory response to previous major incidents in the networks sector. Examples of these include:

- MBIE - Review of the Maui Pipeline Outage of October 2011 – October 2012
<http://www.mbie.govt.nz/info-services/sectors-industries/energy/energy-security/resolveuid/7244e803598a4e868ce1dcdcbd42cec9>
- Electricity Authority - Penrose substation fire 5 October 2014 -Report on the inquiry conducted under section 18 of the Electricity Industry Act 2010 – 26 November 2015
<http://www.ea.govt.nz/dmsdocument/20148>

Topics which will not be a focus of this discussion

While the link between quality of service and how we set the price-path is important, especially with regard to major investments in reliability, we do not intend to use this workshop to discuss how the DPP deals with major capex, such as the White Cliffs realignment.

Items for discussion

Item	Key points covered	Lead	Time
Opening introduction	<ul style="list-style-type: none"> • Commission's approach to quality of service 	Graham Phelan	1.00 – 1.05 pm
GIC's views	<ul style="list-style-type: none"> • GIC's views of consumer demands (see attached slides) 	Ian Wilson	1.05 – 1.20 pm
Transmission discussion	<ul style="list-style-type: none"> • Stakeholder discussion of the material discussed in the GIC workshop and the questions raised by the Commission 	James Mulrennan	1.20 – 2.45 pm
Break			2.45 – 3.00 pm
Distribution discussion	<ul style="list-style-type: none"> • Stakeholder discussion on improved quality measures and disclosures for gas distributors. 	James Mulrennan	3.00 - 4.00 pm

Next steps

We will publish a summary of the matters discussed at this workshop on our website. We will not be asking for submissions at this point, as the matters discussed will be included in our policy paper for the gas DPP reset, which we intend to publish in September 2016.

If you have any questions, please contact:

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