



Commerce Commission
By email: im.review@comcom.govt.nz

8 August 2023

Dear Commerce Commission

Re: 2023 IM Review – reticulated natural gas – cross-submissions

1. The submissions by regulated parties, the unhappiness from consumers (e.g. MGUG), and the dichotomy between the lack of public gas workshops vs. the behind-the-scenes consultation the Commission has enjoyed with the Gas Infrastructure Working Group (made up of regulated parties) indicate extreme unfairness, prejudice and predetermination in the Commission's draft decision.
2. Few parties consider the Commission has addressed fitness for purpose considerations across multiple industries. E.g. Vector's submissions suggest the Commission is ignoring experts and that electricity wash-ups are too constrained (which is ironic when gas cap increases are unconstrained).
3. Fundamental to the Commission's treatment of gas pipelines are the national policy settings for net-zero 2050. However, the Commission has **directed itself** that it is only permitted to take into account one side of those policy settings (the phasing out of natural gas) and not the other (the evolution of alternative, low/no-carbon, gases that will require pipeline conveyance). This imbalance in this premise and the Commission's decision-making has skewed its decisions to massively penalise consumers in favour of pipeline owners.
4. The Commission's approach is myopic and does not factor in the allowances to be made to transition and repurpose pipelines. When that occurs, pipeline owners will no doubt seek to front-load those costs onto consumers.
5. Greymouth supports the lowering of the gas WACC percentile. There needs to be something to put downward pressure on regulated monopoly transport prices of consumers. First Gas counters this by saying that will dampen investment. What nonsense! No party has justified why investment should be rubber-stamped in the Commission's assumed declining demand. This highlights the perverse outcomes resulting from the Commission's refusal to consider future repurposing of the pipelines.

Yours sincerely,

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