

## Major Gas Users Group (MGUG) - Email attachment 'Meeting our new chair' email thread -16 June 2023

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**From:** Richard Hale [REDACTED]  
**Sent:** Monday, February 20, 2023 1:52 PM  
**To:** Andy Burgess [REDACTED]  
**Cc:** Len.Houwers [REDACTED]  
**Subject:** RE: Meeting with our new Chair

Andy, thanks for your email.

We appreciate the opportunity to engage with the Commission and to be clear, it is not our intention to canvass matters related to the proceedings. However our experience with the DPP and IM process has caused us to wonder about the Commission's decision making process and what we should, as consumers, expect from that. We have invested a considerable amount of time and resources into both processes and at times we have struggled with the Commission's response (and in some cases lack of response) on matters that we would see as fundamental, and therefore deserving of scrutiny, and supported by reasoning. We would appreciate a discussion about Commission processes and how advice is formed and how it is tested and reviewed internally.

There are also wider policy issues emerging which seem pivotal to the process e.g. the definition of gas, and how that limitation to natural gas impacts . We saw this as opportunity to engage with the Commission and provide some feedback on those challenges with Part 4. We should say that we have also engaged with MBIE on the process, particularly how the definition might impact the process.

We're happy to lead that discussion. Suffice to say the emphasis of our concerns for a meeting is around the challenges of process and how we can build an effective dialogue:

### Purpose of Meeting

1. To have a better understanding of Comcom's internal reasoning and decision making processes under IM and DPP reviews.
2. How to build more effective dialogue

### Agenda

1. Background on membership (MGUG Inc members each), business conditions etc
2. MGUG only consumer interest actively engaging, little if any from retailers
3. Interaction with Comcom – active since 2016
4. Challenges with infrastructure
5. Impact of Part 4 process
6. Recent experiences of engagement process - challenging with understanding Commission process.
  - a. What happens to submissions once received – who reads/ evaluates/ responds?
  - b. Who is responsible for reading submissions/checking responses etc?
  - c. How does the Commission view the role of empirical evidence, particularly there are conflicts with theory?
  - d. How are the motives/ behaviours of mixed (regulated + non-regulated segments) businesses taken into account when assessing their submissions?
  - e. How are claims/ statements made, critically tested (other than through cross submission) when Commission is not familiar with the industry?
  - f. How are responses handled where facts/ theories etc are under dispute?

- g. How does the Commission view the role of Asset Management Plans in its decision making process?
- h. What guidelines are used to determine when workshops/ independent advice are considered appropriate?
- i. When considering what other jurisdictions do how is different legislative framework taken into account? (eg AER works under Gas Law – which is different than Part 4 here)
- j. How is institutional knowledge (previous decisions/ High Court cases – including from other regulated industries) brought into a topic?
- k. Ultimately the Commission makes its own judgement call on matters where there is no agreement – how does it assure itself that this call is robust?

Outcomes for us would be:

1. Clarity on how Commission processes input in reasoning and decision making.
2. Any shared perspectives/ experiences.

Happy to have an open conversation about this, and be guided by you if you think there are matters which should not be canvassed at that time.

Thanks again for being will to commit the time to us.

Regards,  
Richard.



**Richard Hale**  
Director

  
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**From:** Andy Burgess   
**Sent:** Friday, February 10, 2023 3:23 PM  
**To:** Richard Hale   
**Subject:** Meeting with our new Chair

Hi Richard

I know you have been in discussion with John Small about a meeting with your members. Just thought I'd add my thoughts to this.

As I understand John has said, we are constrained by the ongoing appeal against aspects of the Default Price Path. So this would affect what we can say about the future of gas, the extent to which gas network prices rise, repurposing of pipelines, and how we might address potential asset stranding in the Input Methodology review. So I think we would largely be in listening mode in a meeting in a week or so's time. Alternatively, if we were to meet after the appeal decision comes out, we would be able to have more of a discussion of the issues facing the sector.

Very happy to discuss if that would help

Andy



**Andy Burgess (he, him)**

General Manager, Infrastructure Regulation

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