



COMMERCE COMMISSION

## INFORMATION DISCLOSURE REGULATION UNDER PART 4 OF THE COMMERCE ACT 1986

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### **Workshop 1: Gas Asset Management Plan Requirements**

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To be held:

Friday 20 May 2011, 9:00am–1:30pm  
Commerce Commission offices  
44 The Terrace  
Wellington

### **Overall approach to the information disclosure workshops**

In the 15 April 2011 Update on Process paper,<sup>1</sup> the Commission proposed holding a series of workshops with interested persons to discuss the options for, and implications of, certain areas of the information disclosure requirements. These information disclosure workshops are intended to be informal working sessions that comprise a small number of participants (Commission staff and interested parties). Their purpose is to assist the Commission to prepare its draft decision and draft determinations on information disclosure requirements for EDBs and GPBs.

To foster efficient group discussion at each workshop, the Commission encourages interested persons to identify representatives who can attend on behalf of a number of submitters. For the Gas Asset Management Plan (AMP) Requirements workshop the Commission prefers no more than two participants from each organisation or regulated business, each having an asset management planning background.

Transcripts of the workshops will not be prepared. Minutes will be posted on the Commission's website.

Interested persons will be invited to make submissions on the draft determination and decisions paper which are expected to be released in September 2011.

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<sup>1</sup> Commerce Commission, Information Disclosure Regulation Electricity Lines Services and Gas Pipeline Services Update on Process, 15 April 2011, paragraphs 13–22.

## Purpose of the workshop

The purpose of the Gas AMP Requirements workshop is to assist the Commission to prepare for consultation draft AMP information disclosure requirements for suppliers of gas distribution services (i.e. GDBs) and suppliers of gas transmission services (i.e. GTBs).

The broad approach is to:

- discuss the nature of the asset management planning carried out by GTBs and GDBs;
- consider the AMP disclosure framework that currently applies to electricity distribution businesses (EDBs);
- identify relevant distinctions between EDBs, GDBs and GTBs and consider how these distinctions may be incorporated into the AMP disclosure framework; and
- identify practical considerations concerning the introduction of regulatory AMP disclosure for GTBs and GDBs.

The workshop will focus on modifications to the existing AMP disclosure framework that would be needed to ensure its applicability to GTBs and GDBs. Generic changes to the disclosure framework will not be discussed at this workshop, as such changes will also affect EDBs. However, workshop participants should be aware that some changes to the disclosure framework are likely to be required, in particular—

- following the review of the 2011 EDB AMPs that is currently underway;
- following the current work being undertaken for the Commission by PB New Zealand Ltd to develop an asset management maturity assessment tool, and
- to more closely reflect the purpose of Part 4 of the Commerce Act 1986.

Any changes to the framework will be discussed in the draft decision paper and reflected in the draft determination.

## Proposed structure of the workshop

*(The allocated times shown are approximate).*

### **Preliminary session: 10 minutes Introductions**

The purpose of the introduction is to confirm with participants the purpose of the working session, and to provide a brief overview of the context for the work within the broader work programme.

### **Session 1: 30 minutes**

#### **Asset Management Planning by Suppliers of Gas Pipeline Services**

The purpose of this session is to canvas industry views on how gas pipeline businesses use or plan to use asset management plans and the relationship that these plans may have with a regulatory AMP. Consideration should also be given to the main (high level) challenges to regulatory AMP disclosure for GTBs and GDBs. Each participating organisation will be invited to present its views on these issues (~5 minutes each).

**Session 2: 2 hours****What should the requirements of an AMP for GTBs and GDBs be?**

The current EDB requirements for AMP disclosure are based on best practice asset management planning practices for infrastructure businesses. In this session workshop participants will review the clauses of the AMP disclosure requirements that apply to EDBs, assess their relevance to GTBs and GDBs and, where appropriate, propose alternative clauses. The prepared discussion draft<sup>2</sup> contains a lightly edited version of the relevant clauses of the EDB disclosure requirements, incorporating relevant material from other regulatory instruments and discussion papers.

**Session 3: 30 minutes****Timing of the first disclosure of GPB AMPs**

The purpose of this session is to provisionally identify suppliers' concerns regarding (1) the timing and practicability of disclosure of each of the elements of a regulatory AMP for GTBs and GDBs discussed in session 2; and (2) their ability to disclose a regulatory AMP prior to the first disclosure (financial) year commencing after January 2012.

**Session 4: 5 minutes****Conclusions and next steps****Items to be included in the agenda**

People who are interested in attending the Gas AMP Requirements workshop are requested to advise the Commission, **one week prior** to the workshop, of the key points that they would like to have discussed at the workshop. This should be in bullet point form and emailed to [robert.gordon@comcom.govt.nz](mailto:robert.gordon@comcom.govt.nz). The Commission will then finalise the workshop agenda and confirm the attendees.

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<sup>2</sup> The prepared document *AMP Information Disclosure for GPBs: Discussion Draft for the 20 May 2011 Gas AMP Requirements Workshop*, 6 May 2011, is available from the Commerce Commission website at <http://www.comcom.govt.nz/gas-information-disclosure>.