



REGULATORY DISCLOSURE

# Gas distribution services: Non-standard contracts disclosure

12 months ended 30 September 2019



## Introduction

First Gas Limited (Firstgas) operates 2,500 kilometres of gas transmission pipelines (including the Maui pipeline), and more than 4,800 kilometres of gas distribution pipelines across the North Island. These gas infrastructure assets transport gas from Taranaki to major industrial gas users, electricity generators, businesses and homes, and transport around 20 percent of New Zealand's primary energy supply.

For further information on Firstgas, please visit our website [www.firstgas.co.nz](http://www.firstgas.co.nz).

### Disclosure of non-standard prescribed contracts

This document is a regulatory disclosure prepared pursuant to sections 2.4.12, 2.4.15 and 2.4.17 of the *Gas Distribution Information Disclosure Determination 2012* (the ID Determination) consolidating all amendments as of 3 April 2018 issued by the Commerce Commission.

Firstgas<sup>1</sup> is required to disclose the non-standard contracts entered into or modified during the disclosure year. This disclosure relates to the non-standard contracts on our gas distribution networks only.

This document represents First Gas' required contract disclosures (the Disclosure) for the disclosure year 1 October 2018 to 30 September 2019.

This regulatory disclosure was prepared on 31 March 2020.

### Further information

For further information regarding this regulatory disclosure, please contact:

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<sup>1</sup> First Gas Limited is a "gas distribution business" or "GDB", as referred to in the *Gas Distribution Information Disclosure Determination 2012*.

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## 1. Non-standard contracts entered into during the disclosure period

The ID Determination states that for each non-standard contract entered into during the disclosure period, Firstgas must disclose:<sup>2</sup>

1. A description of the goods or services to be supplied under the prescribed contract and
2. The quantity or amount of those goods and services.

Firstgas' network service agreement (NSA) has standard terms and conditions.<sup>3</sup> Firstgas do, however, have Network Charge Agreements (NCAs) that allow specific ICPs to have non-standard pricing. The estimated quantity of energy to be supplied under the NCA, and the network charges and maximum flow rate are specific to that agreement.

Each year, each NCA has the price adjusted and the NSA is reissued. This price adjustment is usually by CPI. However, in cases where the underlying justification is no longer valid (bypass risk, alternative fuel etc), we transition the ICP towards standard pricing. This is done by adjusting the prices by no more than 10% year to year to avoid price shock. All other terms and conditions are unchanged.

For this disclosure period, all NCAs have been considered new contracts due to the pricing changing annually. All NCA contracts are for the supply of gas pipeline services to nominated ICPs.

Only the first ICP in Table 1 is a new ICP this year.

**Table 1: New network service agreements entered during the disclosure year**

ICP the NCA relates to	Nominal annual quantity (GJ)	Maximum flow (SCMH) <sup>4</sup>	Network pressure (kPa)
1001294166NGCC4	65,000	600	700
1001295720NG848	270,000	3900	1,000
0008000027NGD9C	394,173	2,500	1,900
0008000029NGE07	346,170	2,242	1,900
0008000033NG63B	162,382	2,441	1,000
0008000038NG8EF	224,949	1,660	1,900
0008000040NGFA6	589,674	3,450	1,000
0008000051NG94E	438,316	2,500	1,000
0008000072NG8DB	534,890	2,547	1,900
0008000074NG954	473,207	2,242	1,900
0008000080NG849	45,000	600	1,900
0008000147NGB68	16,500	191	400
0008000249NGBF0	n/a	n/a	1,900
0008000300NGE00	n/a	n/a	1900

<sup>2</sup> Clause 2.4.12(1), *Gas Distribution Information Disclosure Determination 2012*.

<sup>3</sup> The standard terms and conditions are available on the Firstgas website, [www.firstgas.co.nz](http://www.firstgas.co.nz) or upon request to our Wellington Office. Contact details are provided at the end of this disclosure.

<sup>4</sup> Clause 2.4.17 of the ID Determination suggests we disclose the maximum hourly rate in GJ. Our contracts are based on a standard cubic meter/hour basis. To convert results in this column to GJ/hr then divide by 25. (Taking the gross calorific value of natural gas as 40MJ/scm, then there 25scmh per GJ per hour.)

ICP the NCA relates to	Nominal annual quantity (GJ)	Maximum flow (SCMH) <sup>4</sup>	Network pressure (kPa)
0009001431NGDA6	23,825	250	400

## 2. Modified non-standard contracts

Firstgas is required to disclose modifications to any prescribed terms and conditions of a non-standard contract.<sup>5</sup>

There have been no modifications to the prescribed terms and conditions of Firstgas' non-standard contracts in this disclosure period.

## 3. Requests for information

A copy of the standard prescribed terms and conditions of each contract, with the exception of the prescribed terms and conditions that specify, determine or provide for the determination of the price at which the good or services are to be supplied, is available from the Firstgas website or by request from our Wellington office.

Please contact:

Distribution Commercial Manager  
 First Gas Limited  
 PO Box 865  
 Wellington 6140

Midland Chambers  
 45 Johnston Street  
 Wellington 6011

Or by email: [connections@firstgas.co.nz](mailto:connections@firstgas.co.nz).

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<sup>5</sup> Clause 2.4.15, *Gas Distribution Information Disclosure Determination 2012*.