

Submission by Maui Development Limited

for Statement of Proposal on FY2015 Strategy, Work programme & Levy

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Submission prepared by: Maui Development Limited

Jelle Sjoerdsma

QUESTION	COMMENT
<p>Q1: Do you consider there to be any other items that should be included in the Company's intended work programme for FY2015? If so, please describe the work required and how that work achieves the outcomes sought under the Gas Act and GPS.</p>	<p>As we stated among our main points in our submission of 30 August 2013 on the GTIP report:</p> <ul style="list-style-type: none">• The GTIP priority should now be refocused on Regulatory Projects. While short-term capacity risks do not exist, appropriate incentives which allow recovery of the cost of prudent investment in maintenance, reliability or capacity are currently not evident.• We recommend that the GTIP place greater emphasis on the design of an investment test for gas transmission pipelines. This must include investments needed to maintain and protect existing transmission capacity, to ensure transmission is a viable commercial activity for investment. <p>We believe such work is particularly important to facilitate small to medium sized investments in transmissions systems. We acknowledge that large investments could potentially be accommodated by applying for a Customised Price-quality Path (CPP) under Commerce Act regulation. We believe it is important for the GIC, however, to also assist in development of an investment test to facilitate smaller investments; for which the costs and efforts of a CPP could not be justified. Incentives for such investments by Transmission System Operators are now lacking. We believe this should be of major concern to the GIC, in light of its efforts in the GTIP. If TSOs cannot recover costs for making proposed improvements under the GTIP then the GIC's efforts may be negated.</p> <p>We also encourage a larger effort on Transmission Pipeline Balancing. We expect additional code changes in this area will be submitted and will need to be reviewed and discussed. We also support additional work to review better incentives for self-balancing. We expect such work will be related to work for D+1 reconciliation, which should be introduced in all transmission systems too.</p>

QUESTION	COMMENT
<p>Q2: Do you consider there to be any items that should be excluded from the Company's intended work programme for FY2015? Please provide reasons for your response.</p>	<p>No comment.</p>
<p>Q3: We are particularly interested in industry comment on the forecast gas volumes – do stakeholders consider the projection reasonable? If not, what would they consider an appropriate gas volumes estimate to be?</p>	<p>No comment.</p>
<p>Q4: Do you have any comment on the proposed levy for FY2015?</p>	<p>We appreciate the reduction.</p>
<p>Q5: Do you have any suggestions for amending the annual levy regulations?</p>	<p>No comment.</p>