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10 September 2015

Dear Ian

Draft Recommendation on 24 April 2015 MPOC Amended Change Requests Process

Thank you for the opportunity to provide this submission on the Gas Industry Company's (GIC) Draft Recommendation on 24 April 2015 MPOC Amendment Process Change Request dated 12 August 2015. No part of the submission is confidential and I am happy for it to be publicly released.

As the author of the change request in my previous role with Mighty River Power I am of course disappointed that the GIC is not able to support the Maui Pipeline Operating Code (MPOC) Amendment Process Change Request (APCR). I do however recognise there are shortcomings within the proposed amendment in particular with regards to the voting arrangements.

I accept that in its current form the GIC cannot support the APCR. I am however pleased to note that the GIC has supported a significant number of the changes proposed within the APCR, in particular the proposed front end changes which would make the MPOC amendment process more inclusive principally at the drafting stages.

In their Draft Recommendation the GIC has identified a certain stakeholder dissatisfaction with the current MPOC change request process highlighted by the recent Market Based Balancing MPOC Change Request. From the submissions it appears clear that in particular Vector shippers on the Maui pipeline are not happy with the current MPOC amendment process. Of the Vector shippers who made submissions on the change request only Nova Gas did not support it but in their submission they still expressed concerns over the current MPOC amendment process and the need to improve this.

It would be disappointing to see the positive aspects of the APCR being lost if as expected in its Final Recommendation the GIC does not support the APCR. With this in mind I would like to suggest the following:-

- The GIC engages with the industry to agree amendments to the MPOC to include those sections of the APCR that the GIC supports; and concurrently
- The GIC engages with Maui Development Limited to renegotiate the Memorandum of Understanding (MOU) that governs MPOC amendments. The changes to the MOU should allow the GIC to engage in the development of MPOC amendments as envisaged in the APCR. The revised MOU should also allow the GIC to support MPOC amendments but that support may be conditional on these being modified as recommended by the GIC.

Given the GIC's involvement in the early stages of developing an MPOC change request then the situation where the GIC is required to propose modifications to an MPOC amendment should be a rare occurrence.

The above proposals would go a long way to satisfying the concerns that many within the industry have with the current MPOC amendment process. At the same time it maintains the status quo with regards to changes to the MPOC requiring the approval of the GIC in its regulatory role within the gas industry. It is clear from its submission that this aspect of the current process is very important to MDL.

If you would like to discuss any of the above comments then please do not hesitate to contact me on 027 216 3711 or jim.raybould@icloud.com

Yours sincerely

A handwritten signature in black ink that reads "Jim Raybould". The signature is written in a cursive, slightly slanted style.

Jim Raybould
Director

