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Ian Wilson  
Gas Industry Company  
Level 8, The Todd Building  
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Online submission

Dear Ian

## MPOC Change of Ownership Change Request

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Genesis Energy Limited welcomes the opportunity to provide a submission to the Gas Industry Company ("GIC") on the paper "Draft Recommendation on 13 April 2016 Maui Pipeline Operating Code ("MPOC") Change of Ownership Change Request ("COCR") 14 April 2016" ("GIC Draft Recommendation") and the Final Operating Code Potential Maui Pipeline Change Request 12 April 2016 ("Marked-up MPOC").

We support the intent of the change and agree that most of the proposed edits to the Marked-up MPOC are minor. However, we have three issues with the drafting of the proposed change that need to be addressed:

1. The definition of the "Maui Mining Companies" has been deleted in the Marked-up MPOC. However, this definition is still used in clause 2.25 and substantially in Schedule 4 of the MPOC and continues to apply until the effective date, as defined in the Marked-up MPOC. The definition needs to be retained, until the effective date, to ensure the relevant confidentiality protections for Shippers and Welded Parties continue.
2. A more substantial concern is with the adjusted-ring fencing arrangements in the Marked-up MPOC. The GIC Draft Recommendation sets out, at page 13, a framework of 'good behaviour' principles ("the framework") developed in the US to promote open access to essential infrastructure.

While the framework is referred to, there is no analysis as to how each principle applies under clause 24.1(b) of the Marked-up MPOC. Further, clause 24.1(b) of the Marked-up MPOC specifically addresses the “non-discrimination rule”, the “independent functioning rule”, and the “transparency rule” but does not specifically address the “no conduit rule”. The “no –conduit rule’ reads:

*“the ‘no conduit rule’ – preventing any third party from passing information between the pipeline operations staff and pipeline marketing staff”.*

This requires an explicit clause in the MPOC that states information cannot be passed by a third party between the pipeline operations staff and the pipeline marketing staff.

3. Finally, it should be made clear that there is no information sharing permitted between trading teams and transmission teams. This should be specified in the Schedule 4 Confidentiality Protocols.

If you would like to discuss any of these matters further, please contact me on 04 495 3348.

Yours sincerely



Rebekah Cain  
Regulatory Advisor

