



Better together.

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TRUSTPOWER SUBMISSION: MPOC Amendment Process Change Request

Trustpower thanks the Gas Industry Company (GIC) for the opportunity to submit on the MPOC Amendment Process Change Request put forward by Mighty River Power.

Trustpower continues to support the above Change Request, but note that there are some deficiencies, as raised by MDL and the GIC. We agree with the GIC that many of the deficiencies are technical in nature, but also believe that the dis-benefits raised in the report are either weak, or can be overcome by some means.

Trustpower believes that the proposal would encourage MDL to be more transparent about changes and involve the entire industry before a proposal become contentious. This has proven to be an issue with the recent Market Based Balancing (MBB) change, with the sentiment that concerns raised by MDL shippers were not being considered fairly. Trustpower also supports involving the GIC in a more co-regulator role than they currently have. Limiting the GIC to either support, or not support a Change request significantly reduces the influence the GIC can have in any change.

The proposed voting powers appear to be satisfactory, and would open up the opportunity for all interested parties to vote on changes which may materially change their business. We note that there is some concern that Shippers may have disproportionate power, and that there is no ability for downstream users to vote. Trustpower believes that every party with interactions to the pipeline should have equal voting rights. If a downstream party is directly connected to the Maui Pipeline, or a Maui Shipper, then they should (and under this proposal would) have voting rights. To include parties which only are indirectly connected to the Maui Pipeline, and who are not shippers, would open up the voting process to too many participants and potentially create confusion. Ultimately if a downstream consumer, with no direct connection to the Maui Pipeline, does not believe that their interests are represented by their retailer, they are entitled to leave and find a retailer willing to represent their interests. This is the cornerstone of any competitive market.

Currently there are no voting rights on MPOC Change Requests. We note that MDL believes that the current process is the correct methodology to have in place, with the GIC having the final acceptance of a Change Request, and MDL then deciding whether to implement. We do not believe that this is better than the proposal, as the decision to implement change is vested in a few small participants, without the requirement for full consideration of the impacts to other parties. Arguably this could have already happened with the MBB Change Request. The GIC did not have the ability to influence the Change Request, other than to accept (or reject) the proposal. This could lead to outcomes that are not optimal, and ultimately lead parties to advocate for a change to the entire regulatory model. Including the GIC, and the rest of the industry, in changes to the MPOC will provide significant benefits to the entire industry to ensure that the pipeline is considered in it's an entirety, and not with regards to individual parties.

Trustpower does not agree that the proposed change request is a step in the wrong direction, and believes that involving the industry from an early stage in any Change Request is clearly in the best interests of the industry. Any issues that have been raised with this Change Request we believe can be addressed either before the Change is implemented, or after. We do not believe that discarding the Change Request is rational, considering that it will improve transparency, open up industry discussion, and aligns with the principles of Evolutionally Convergence.

Trustpower continues to support the APCR proposed by Mighty River Power, and believes that whilst there may be some deficiencies, the overall intent of the Change Request is an improvement over the current adversarial approach taken for MPOC Change Requests. Including more parties to submit on a Change Request and put forward ideas to improvements in our opinions outweighs the issues raised by opponents to the Change Request.

For any questions please contact me on 07 572 9888.

Regards,

A handwritten signature in black ink, appearing to read "C. Schubauer". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

CRAIG SCHUBAUER

WHOLESALE MARKET MANAGER