



28 June 2010

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Dear Ian

## **Options for Vector Transmission Capacity**

### **Introduction**

1. Mighty River Power welcomes the opportunity to comment on the Gas Industry Company's (GIC) options paper on Vector Transmission Capacity dated May 2010. No part of this submission is confidential and Mighty River Power is happy for it to be publicly released.

### **Comments**

2. Mighty River Power agrees with the GIC that based on the options discussed within the options paper that a Hybrid transmission regime comprising a mixture of common and contract carriage offers the best alternative to the current Vector transmission regime.
3. We do not however believe that the Incremental change option is a practical alternative for the reasons explained in the attached submission.
4. The GIC stated at their workshop on 9 June that at this point it does not intend to regulate Vector Transmission although it does reserve the right to regulate at some point in the future. We are therefore of the opinion that, with the exception of alerting the Commerce Commission to the current transmission issues, no further work is currently required on this workstream.
5. Vector Transmission is undertaking a review of their transmission regime. In Mighty River Power's opinion if Vector's proposals are accepted by the industry then with the exception of reviewing Vector's proposals and possibly some oversight work the GIC will not need to carry out any additional development work for this work stream. If proposals are not forthcoming from Vector in the near future or Vector's proposals are unacceptable then

the GIC should undertake some additional development work on the Hybrid option with a view to regulating the Vector transmission regime.

6. Mighty River Power would urge the GIC to encourage Vector Transmission to give top priority to progressing their transmission proposals. This work was supposed to have been undertaken, consulted on and implemented in a new Vector Transmission Code starting this 1 October 2010, a deadline which is unlikely to be met. We would therefore suggest that the GIC sets a timetable for Vector to resolve these issues, preferably by 31 December 2010.
7. If you would like to discuss any of our above comments directly with Mighty River Power, then please do not hesitate to me on 06 348 7926 or [jim.raybould@mightyriver.co.nz](mailto:jim.raybould@mightyriver.co.nz).

Yours sincerely

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

**Jim Raybould**

Retail Gas Operations Manager