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Dear Ian

## **ACCESS TO PROCESSING FACILITIES**

### **Introduction**

1. Thank you for the opportunity to make a submission on the Gas Industry Company (GIC) discussion paper "*Access to Gas Processing Facilities*" dated August 2006 (Access Paper).
2. No part of Mighty River Power's submission is confidential and we are happy for it to be publicly released.

### **Agreement with the GIC's proposals**

3. Mighty River Power supports the light-handed approach proposed by the GIC in the Access Paper. We agree that the New Zealand gas industry is at a critical time in relation to gas exploration and production (E & P). Any approach that creates unnecessary costs and thereby deters E & P must be avoided.
4. In this light, we agree with the GIC that a voluntary information disclosure regime will:
  - a. progress the critical objective of facilitating efficient access to gas processing facilities;
  - b. whilst allowing normal commercial processes to flow unimpeded and thereby support the Governments policy of facilitating E & P investment in New Zealand.
5. We also applaud the GIC for the willingness to support an approach that gives the co-regulatory model the fullest opportunity to work.

### **GIC questions**

6. Mighty River Power answers yes to the 8 questions posed in the Access Paper. We comment below on specific matters we wish to draw to the attention of the GIC.

### **Scope of possible access protocols**

7. The Access Paper states that “*[o]ne company indicated a desire to gain access to gas fired power stations and petrochemical manufacturing facilities.*” We strongly agree with the GIC’s view that gas fired power stations and petrochemical manufacturing facilities are outside the definition of “gas processing facilities”. Accordingly, the objective of gaining access to such facilities is outside the purview of the GIC’s mandate in respect of processing facilities.

### **Assessment of alternatives – Information disclosure option**

8. Mighty River Power agrees that facility owners should publish key information about their processing facilities.
9. We also agree that facility owners should report bona fide third party approaches for commercial access and the outcome of each approach. In addition, we consider that those third parties approaching facility owners should be encouraged to report their approach to the GIC. This will help ensure that the GIC receives input from both relevant parties.

### **Concluding remarks**

10. If you would like to discuss this matter directly with Mighty River Power, please do not hesitate to contact either me (on 09 308 8202 or [john.gilkison@mightyriver.co.nz](mailto:john.gilkison@mightyriver.co.nz)) or Duncan Jared (on 09 308 8290 or [duncan.jared@mightyriver.co.nz](mailto:duncan.jared@mightyriver.co.nz)).

Yours sincerely

**John Gilkison**

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