

Curtis Gregorash

From: Ian Wilson
Sent: Tuesday, 24 March 2009 7:42 a.m.
To: Curtis Gregorash
Subject: FW: VTC Change Request Appeal - 20 February 2009 (BPP overdraft facility)
Importance: High

Fyi

Ian

From: Blair Boswell [mailto:bboswell@toddenenergy.co.nz]
Sent: Monday, 23 March 2009 5:48 p.m.
To: Charles Teichert; Sarah Greathead; Ian Wilson
Subject: RE: VTC Change Request Appeal - 20 February 2009 (BPP overdraft facility)
Importance: High

Dear Ian / Sarah

[Re: VTC Change Request Appeal - 20 February 2009 \(BPP overdraft facility\)](#)

Nova does not support Vector's appeal of the change request to amend section 8.25 of the VTC to allow the BPP Trustee to borrow funds for the purpose of enabling funds to be paid from the BPP in excess to the BPP.

Nova concurs with the submissions made by Contact and Genesis that resulted in the original Change Request consent threshold not being met.

Specifically Nova notes:

- BPP payments should be limited to payments made into the BPP, such that the BPP Trustee is incentivized to pursue payments owed to the BPP
- There is a real risk that a "BPP overdraft facility" could result in the socialization of unpaid amounts through Vector tariff adjustments such that innocent Shippers cross-subsidise those responsible for the owed amounts
- Nova agrees with Contacts proposal that this risk is heightened by the failure of the VTC to contain an express obligation on Vector to pursue Non-Code Shippers per the equivalent mechanism in their TSAs to pay their share of any BPP costs owed
- The lack of said enforceable obligation on Vector, by Shippers, means that there is a real possibility that a large payment differential could occur in the BPP which would be further compounded by any capability of the BPP Trustee to borrow funds for the purpose of paying outstanding BPP monies.

From: Sarah Greathead [mailto:Sarah.Greathead@gasindustry.co.nz]
Sent: Wednesday, 18 March 2009 3:49 p.m.
To: Charles Teichert
Subject: VTC Change Request Appeal - 20 February 2009 (BPP overdraft facility)

Dear Charles

Further information concerning the BPP overdraft facility appeal has been posted on the website. The further information sets out the reasons for Vector's appeal. The appeal and supporting information can be found on the website at:

<http://www.gasindustry.co.nz/work-programme/vtc-change-request-appeal-20-february-2009?>

[tab=1184](#)

Gas Industry Co invites submissions on the appeal. If you wish to make a submission, please do so by 5:00 pm on 23 March 2009. Please see the website for conditions relating to submissions.

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