



6 August 2013

Ian Wilson
Senior Technical Adviser – Infrastructure
Gas Industry Company Limited
PO Box 10 646
Wellington 6143

Dear Ian,

RE: Draft Recommendation on 31 May 2013 VTC Change Request (Single Issue)

Greymouth Gas New Zealand Limited ("Greymouth Gas") is pleased to make a submission on the Draft Recommendation on 31 May 2013 VTC Change Request (Single Issue) (the "paper") following an invitation from the Gas Industry Company Limited ("GIC") on 1 August 2013.

The paper canvasses two key issues related to Appeal Grounds 1 and 2 (as referred to in the paper) and, despite a thorough analysis, Greymouth Gas respectfully considers that the GIC has got it wrong because:

- 1) Effectiveness should trump efficiency – yes, there may be a trade-off, but there may not be and the status quo is that undesirable changes could succeed if part of a big enough package.
- 2) Appeal Ground 2 analysis is inadequate having regard to the following:
 - GIC should have taken a position on Appeal Ground 2 because the process now set forth in the paper unnecessarily extends the bureaucracy related to the analysis of Contact Energy Limited's ("Contact") appeal, whereas it could have, and should have, been dealt with as one.
 - Notwithstanding this, Greymouth Gas considers that the context of section 25.7 of the Vector Transmission Code ("VTC") requires GIC to opine on both Appeal Grounds 1 and 2 as the counterfactual is that this will be the case eventually even if a legal position can be taken that the appeal function needs to deal with one appeal ground or the other (an "or" approach).
 - Furthermore, Greymouth Gas purports that even if GIC were to settle on an 'or' approach, then GIC appears to have arbitrarily assigned priority to the appeal grounds when this priority was not evident in Contact's original appeal. Yes – Contact's points were labelled 1) and 2), but without anything to the contrary, the reasonable interpretation is prima facie pari passu pertaining to priority.

- This should then revert to section 25.7 of the VTC which doesn't even require GIC to assign priority, but, if taking an 'or' approach, only requires it to choose one ground or the other. As an independent appeal body, the GIC should therefore, if sitting on the fence or choosing an 'or' approach, have put this decision to Contact at the start of the process and asked Contact to choose one basis of appeal. Did GIC raise this with Contact? If not, and if an 'or' approach is progressed with, then Greymouth Gas considers that Contact could reasonably require GIC to repeat its draft recommendation because the GIC may well have chosen the wrong appeal ground to analyse.
- The sensible approach is for GIC to analyse Appeal Ground 2 in any case.

If the GIC does not support the final recommendation related to the paper, the overall theme of the paper appears to hint that a single issue change request would add value to the gas industry if the concept of single issue was defined.

Greymouth Gas continues to support a single issue approach to change requests.

Yours sincerely,



Chris Boxall
Commercial Manager