



18 January 2013

Ian Dempster
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By email: ian.dempster@gasindustry.co.nz

Dear Ian

Vector Transmission Code (VTC): Appeal to allow Balancing Arrangements Change Request.

Contact Energy welcomes the opportunity to provide a submission on the Vector appeal to the GIC in respect to its Balancing Arrangements Change Request (Change Request).

Contact does not support the appeal for the reasons set out below.

Disputing invoices

Contact disagrees with the proposed change that limits the scope for disputing invoices relating to balancing as set out in the proposed amendment to section 16.17. Contact believes that there may be instances apart from manifest error that should be capable of being disputed with MDL.

During the initial stages of developing the change request Contact, together with other shippers, advised Vector that we would be more comfortable with the change if shippers were granted step in rights to contest disputes directly with MDL. Vector chose to reject this proposal. Contact notes that the NERA report also comments that the efficiency of balancing could be enhanced with such a step in right.

Shippers should have a right to dispute invoices that are issued to them under the codified process. If Vector does not believe it has sufficient ability or transparency to understand what it is being invoiced then it should take steps to rectify that not simply prohibit disputes.

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Concluding Comments

Contact believes there is sufficient time for Vector to make alternative amendments/arrangements that allow shippers to retain their rights to dispute invoices should circumstances arise where charges are incorrect.

Furthermore the requested changes were premised on the requirement to align the VTC with the MPOC post the implementation of the MPOC Change Request due to come into force during July 2013. It is not immediately apparent how the changes relating to appeal rights are required to enable the MPOC CR to become operational.

Yours sincerely



Sharon Wray
Fuels Trading