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15 July 2008

Submission on MPOC Change Request by Maui Development Ltd on 20 June

Vector welcomes the opportunity to provide comment to the Gas Industry Company (GIC) on MDL's proposed amendments to the Maui Pipeline Operating Code ("MPOC") as set out in an application dated 20 June 2008 (the "Legacy Gas Change Request"). Vector's comments are as follows:

Maui Legacy Gas – section 3 and associated references

Vector Gas Limited (as a TP Welded Party under the MPOC) ("Vector Transmission") wrote to the GIC on 16 June 2008 regarding the possibility of MDL formally lodging a change request to remove section 3 and references to Maui Legacy Gas from the MPOC. In that letter, Vector Transmission stated that such a change request could not by itself provide a robust foundation for the operation of the industry's balancing arrangements and that a wider solution was required. We set out the components of that solution in that letter and stated that we were preparing a change request to effect them.

When shortly thereafter MDL suggested that such a solution was possible and that a letter to effect it was being prepared, we suspended preparation of that change request. MDL has now produced a letter and notably, as Vector understands, the industry seems comfortable with the solution proposed in the letter from Vector Transmission, but not with MDL's other requirements.

Vector Transmission remains of the view that the removal of section 3 and references to Maui Legacy Gas from the MPOC is a step that should not be taken in isolation as the benefits associated with it will not be seen until the wider dispute over the issue and cashing-out of ILONs at Vector Transmission Welded Points is

resolved. Accordingly, if significant progress on the resolution of the wider dispute is not made by 1 August 2008, Vector Transmission will formally lodge a change request to provide for this wider solution. The content of that change request will be as set out in paragraph 3 of its letter to the GIC on 16 June 2008.

Taranaki Target Pressure

Vector Transmission considers the notice period of 12 months to be inadequate. Given the difficulties associated with obtaining engineering resources, capital equipment and consents, we believe 18 months to be the bare minimum required, with 24 months being the more realistic option.

We would be happy to meet with the GIC to discuss this submission if any aspect of it is unclear.

Kind regards

A handwritten signature in blue ink, appearing to read "Paul Hodgson".

Paul Hodgson

Divisional Manager Gas Transportation