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The Gas Industry Company
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Draft Recommendation on 24 April 2015 MPOC Amendment Process Change Request

1 This is Vector's submission on the Gas Industry Company's (**GIC**) Draft Recommendation on the 24 April 2015 MPOC Amendment Process Change Request (**APCR**), issued on 12 August 2015 (the **Draft Recommendation**). No part of this submission is confidential. Vector's contact for this submission is:

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2 Vector agrees with the GIC's conclusion that the APCR does not represent an improvement to the existing voting rights in the MPOC. The wider variance in the nature and commercial interests of the parties to the MPOC compared to the parties to the VTC mean that a straight over-laying of the recent code change amendment in the VTC onto the MPOC is not the right approach.

3 However, the underlying rationale for the change request is one that – if executed correctly – would result in a material improvement to the current MPOC change process. The GIC acknowledges in the Draft Recommendation that the APCR's benefits include:

- a meaningful consultation process – i.e. one in which stakeholders' feedback can be used to make improvements to a proposed change; and
- the ability of the GIC to be involved in the change process, without concerns about whether that raises a conflict of interest.

4 Vector believes that recent changes to the MPOC could have been made in a more constructive and collaborative fashion if either:

- MDL had been required to engage in a meaningful consultation with its stakeholders; and/or
- the GIC had been able to make its support of proposed changes conditional on recommendations it could make as a result of its own consultation and which it considered would make the propose change materially better than the one proposed.

5 Vector considers that the second of these can be achieved by amending the MOU between the GIC and MDL governing the process for the GIC's consideration of MPOC change requests. The MOU could also be amended to clarify the GIC's role in the MPOC change request process, to avoid any further questions about conflict of interest.

6 Such changes would achieve a degree of alignment between the MPOC and the VTC, and pave the way for further changes to be made to both Codes as part of the GIC's Transmission Access work programme. This is consistent with the recommendations by the Panel of Expert Advisors in July 2013 and we urge the GIC to pursue this option with MDL.

7 Finally, we note that although the recent VTC code change process is accurately summarised in Appendix B, the abbreviated version given in the Introduction section of the Draft Recommendation is not accurate, as it uses a summary of an earlier proposal that was not adopted. In particular, it states that VTC change requests will continue to be heard by the GIC. This summary could create confusion and we recommend it be corrected when the GIC issues its final recommendation.

Yours faithfully
For and on behalf of Vector Limited

Anna Casey
Principal Regulatory Advisor