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Dear Steve

## **Concept Consulting Review of Gas Critical Contingency Management**

### **Introduction**

1. Vector is responding to Concept Consulting Ltd's (Concept) Draft Report, "Review of Gas Critical Contingency Management: Post Maui Pipeline Outage" (the Concept Report), commissioned by the Gas Industry Company (GIC) and released on 8 June 2012. No part of this response is confidential and we are happy for it to be publicly released.
2. Our response is in two parts. In the first part we respond to general matters, including rebutting several apparent criticisms of Vector's performance, and in the second we provide our response to the specific recommendations in Concept's Report.
3. Vector's contact person for this submission, in the first instance, is:

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### **Review of Critical Contingency Arrangements**

4. Vector fully supports a review of critical contingency arrangements, following the Maui Outage in October 2011.
5. While the benefit of an independent review of the adequacy of the regulations and the performance of the Critical Contingency Operator (CCO) is understandable, it is disappointing that the Concept Report has not materially advanced the recommendations made in the CCO's Performance Report issued in accordance with Regulation 65 of the Gas Governance (Critical Contingency Management) Regulations 2008 (the CCM Regulations). The Concept Report could have been a vehicle to progress those recommendations by completing the robust policy analysis that was beyond the scope and capability of the CCO, and to make specific recommendations for changes to the Regulations.
6. Any review should determine what lessons can be learned and identify opportunities to improve regulatory arrangements to ensure robust and effective management and regulation of any future critical contingencies.
7. This is particularly so given the GIC introduced the CCM Regulations in 2008, so the Regulations were relatively untested.
8. Vector has provided substantial resources to engage with the review, including provision of the CCO Incident and Performance Reports on the Maui Outage. The Performance Report included 19 recommendations, 13 of

which related to the CCO Communications Plan, the CCO Information Guide, and the Critical Contingency Management Plans (CCMP), prepared by Vector and MDL, as the Transmission System Operators (TSOs).

9. The TSOs have issued their revised CCMPs to interested parties for consultation. Vector is also consulting on proposed amendments to the CCO Information Guide and Communications Plan.<sup>1</sup>
10. The remaining six recommendations (Recommendations 14 – 19) from the CCO Report were for the GIC and the Ministry of Economic Development (MED) to consider. Vector is concerned the Concept Report has not advanced Vector's CCO Recommendations 13 – 19 as far as we would have expected eight months after the Performance Report was issued, or to the point the recommendations could be implemented.
11. Unfortunately, the high level nature of the review of overseas jurisdictions and the incomplete assessment of policy options (for example, there is no quantitative or qualitative cost benefit analysis of policy options) means that further work will be required by the GIC in order to satisfactorily justify any proposed changes to the extant regulations.

### **The Concept Report includes unjustified criticisms of Vector**

12. Vector takes particular issue with certain elements of the Concept report. These include any inference that Vector under resourced the CCO function or that, in any capacity, it failed to deliver on an actual or perceived communications responsibility during the Maui Outage. This section addresses those matters.
13. As part of the process to develop its report, Concept has consulted with a number of stakeholders involved in or impacted by the Maui Outage.
14. This process resulted in the gathering of a range of perceptions from stakeholders. Concept appears to have dutifully reported these perceptions and appears to have drawn conclusions and made recommendations on the basis of these perceptions, without determining whether they accurately reflected reality.
15. The Concept Report includes, for example, the reported comments as the basis for conclusions the CCO was under resourced and failed in a perceived duty to assume a central communications role during the event.

*"there were ... suggestions that the CCO was not sufficiently resourced to cope with providing effective communications at the same time as managing the contingency, particularly in the early phases" (page 23)*

*"... the resources available during the early phase of the contingency may not have been sufficient to deal with the wide range of issues that emerged" (page 64)*

*"... the CCO had to balance several competing needs including analysis of the available gas within the system, reconfiguring pipeline networks, interfacing with TSOs, monitoring pressure levels in the pipeline networks, interfacing with other stakeholders, facilitating communications, and analysing the impact of possible ESP re-designations." (page 64)*

*"Following some initial difficulties ... additional resources were allocated [to] the CCO" (page 64)*

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<sup>1</sup> In the interests of consistency and efficiency, the CCO and TSOs have consulted and adopted a coordinated approach, whereby all of the revised documents will be subject to the same consultation timeframes. This is to allow interested persons the opportunity to consider and assess the amendments to the CCO Information Guide, Communications Plan, and the TSOs CCMP's concurrently.

*"... there was general concern about the initial communications with wider stakeholder groups and the public, and whether the CCO was sufficiently resourced to cope with this role during a contingency" (page 65)*

16. Vector notes Concept has:
  - a. not included the GIC in its consultation process (or at least not included the GIC in the list of consulted parties in Table 1), notwithstanding the GIC was intimately involved during the event; and
  - b. not sought Vector's views on comments in respect of its performance as CCO as represented to the GIC by other stakeholders.

In so doing, Vector considers that Concept has done itself, the industry and Vector a disservice.

17. In respect of the criticisms of Vector, the suggestion the CCO was under resourced during the Maui Outage is flatly rejected. Additional resources from other parts of Vector were made available to the CCO from the early hours of the morning of 25 October 2011. Vector has detailed response plans that include resourcing and personnel in key roles that were rotated throughout the event.
18. As to whether, irrespective of resourcing issues, Vector, in any of its capacities, failed to assume a central role in wider industry, stakeholder and media communications Vector believes the facts speak for themselves.
19. Vector agrees wider communications of the status of the Maui Outage was poor during the "first day" (Tuesday, 25 October). These problems are not attributable to Vector in any way. As Concept acknowledges:
  - a. The critical contingency arrangements, as put in place by the GIC, contracted Vector, as the CCO, with responsibilities set out in the CCM Regulations;
  - b. Those arrangements and the supporting documentation, including detailed communications plans, do not provide for Vector, as CCO or in any other capacity, taking on the role of industry spokesperson during contingencies; and
  - c. The CCO Service Provider Agreement, under which Vector contracts to perform the CCO function, does not include any responsibilities for media/communications/incident spokesperson roles.
20. In addition, Vector's commercial contracts with other parties, including its Technical Operator and Service Operator contracts with MDL, explicitly preclude Vector from speaking on issues relating to other parties' assets and operations without express agreement to do so.
21. From early on the Tuesday morning of the outage the division of communications responsibilities, consistent with existing Regulations and contractual arrangements was clearly agreed between the parties ie MDL, GIC, Transpower and Vector. This agreement was made in writing.
22. In particular, it was agreed that:
  - a. The GIC would be responsible for managing media calls relating to CCO protocols, curtailment of customers, priority of customer curtailments and impact of curtailments;
  - b. MDL would respond as pipeline owner to media calls relating to the management of the incident (on their pipeline) and the steps underway to repair the pipeline. In this, Vector would provide MDL with regular status updates;

- c. Transpower would respond to issues affecting its role as (electricity) system operator, generation issues and meeting (electricity) demand; and
  - d. Vector would refer any media calls to the relevant media spokespersons and would operate to industry protocols as agreed by the GIC and industry.
23. It rapidly became apparent (by the afternoon) that the other parties were not abiding by the agreed communications protocol, and were not responding to those media and stakeholder inquiries that it had been agreed they would respond to.
24. As the GIC is aware, Vector agreed to take on the expanded communications role of incident spokesperson, while also dealing with the Maui Outage, at the request of the Office of the then (Acting) Minister of Energy and Resources. Vector agreed in light of the particular circumstances, subject to MDL providing contractual clearance to Vector representing their assets (waiving contractual restrictions).
25. Vector met all its obligations, both regulatory and contractual, as CCO during the Maui Outage. It was widely recognised, including by the GIC and (Acting) Minister of Energy and Resources, that Vector managed the critical contingency, including communications (once it assumed this responsibility), well. This is not, however, to say Vector agrees it should have been put into the position of incident spokesperson for the industry or the regulator.

#### **Concept Report recommendations on coordination of communications**

26. Concept's recommendations on expanding the CCO role to require it to coordinate and manage communications and provide an incident spokesperson to represent the industry and the regulator are illustrative of some of the shortcomings of the Concept Report.
27. Vector does not support Concept's recommendation that the CCO Service Provider Agreement should be amended to require the CCO to coordinate and manage communications and provide a spokesperson. Vector considers that the Concept Report does not provide a sound basis for this recommendation:
- a. The Concept Report only provides a brief four-bullet point assessment of the options.
  - b. The Concept Report provides a cursory assessment of practices in overseas jurisdictions which is then relied on to "suggest ... the contingency manager is often given the role of spokesperson in other jurisdictions" (emphasis added).  
  
This review fails to consider the different ownership arrangements that exist in relation to provision of contingency manager functions. From Vector's viewpoint, only Slovakia, at best, provides a precedent that could be relevant to New Zealand, particularly taking into account ownership structures. The commentary also ignores that in some overseas jurisdictions, the CCO role is undertaken by the industry regulator.
  - c. There is an absence of any consideration of the appropriate boundaries between regulatory and commercial functions and responsibilities.

As agreed in the communications protocol between the parties on 25<sup>th</sup> October (and beyond the matters covered by the Communications

Plans required under the CCM Regulations), asset owners should be making public statements about their own assets and the regulator should speak to the application of the regulations.

The CCO would not be well placed to speak about the affected assets in all critical contingencies eg where it is not associated with the owner or operator of the affected assets. There will be a number of potential contingency events where the CCO would not be adequately equipped with the knowledge or understanding of the cause of the event to become its spokesperson eg related to gas fields and plant. This is not apparent from Concept's analysis.

Concept also states that "Observations were that the CCO had to balance several competing needs including analysis of the available gas within the system, reconfiguring pipeline networks, interfacing with TSOs, monitoring pressure levels in the pipeline networks, interfacing with other stakeholders, facilitating communications, and analysing the impact of possible ESP re-designation". This implies it would not be prudent to place additional responsibilities on the CCO, including speaking on behalf of industry participants and the regulator.

Concept claims the GIC is "Not directly involved in managing contingencies and does not have technical expertise and knowledge ..." It is not logical to conclude that, because the GIC was not equipped to manage the communications role in this instance, it should not fulfil the role in the future. It is simply that appropriate information flows need to be provided to enable it to competently perform the role.

- d. Concept has not recognised that the CCO Service Provider Agreement is a commercial arrangement and not a public service obligation. Negotiation between the GIC and Vector regarding any amendments would require, amongst other things, consideration of the cost implications of any proposed additional role.
28. Any consideration of which party is most appropriate to take on communication and incident spokesperson responsibilities needs to consider: (i) the commercial, contractual and regulatory roles and responsibilities of the parties; (ii) what form of communication (media, stakeholder, customer etc) is being referred to; (iii) which party owns the actual assets; (iv) which parties have relationships with what consumers; (v) which party has the best information on each particular aspect of the issue; and (v) the appropriate boundary between commercial and regulatory functions.
29. In short, there needs to be a robust analysis of roles and responsibilities to identify who should provide what communications and this should be clearly prescribed and agreed. Vector considers that this process should be able to be completed by the industry without the need to resort to regulation, although a regulated solution would always remain as a back stop.

#### **Assessment against the recommendations of the CCO Performance Report**

30. As the Concept Report notes, Vector's CCO Performance Report detailed Recommendations 14 – 19 for GIC/MED consideration. Vector's views on these recommendations have not changed. Concept's recommendations are discussed below in the context of the recommendations in the CCO Performance Report.
31. Vector reiterates that the GIC should be advancing proposals for amendment of the CCM Regulations that the Vector CCO Performance

Report advocated. Vector had expected the Concept Report to have made significantly more progress in policy development, particularly with regard to the recommendations in the CCO Performance Report.<sup>2</sup>

32. The GIC should consider the introduction of mechanisms to require gas to be injected into the transmission grid, including: (i) what information would be needed from each field to operationalise such a requirement; and (ii) compensation mechanisms (including price) where a gas field is required to inject more gas at a particular time than they otherwise would.
33. This omission in the CCM Regulations impacts on both the management of the event itself and bringing the system back on in an orderly way. The industry is currently reliant on industry participants "doing the right thing" with no certainty of payment or cooperation. At face value, it seems anomalous to Vector that an electricity generator can be "constrained on" and required to generate, but a gas field (needed for gas-powered generation) cannot be required to be "constrained on" in a similar way.

**Recommendation 14 of the CCO Performance Report: The efficacy of the curtailment bands and their administration.**

34. This is an area where the specific details of overseas practices could have been useful for determining definitions and boundaries amongst the curtailment bands.<sup>3</sup>
35. The GIC has stated that it is "reviewing its Guidelines for Essential Service Providers (ESPs) and Minimal Load Users (MLCs) and will shortly seek submissions on revisions based on experience from the Maui Pipeline outage about the process for designating these Users".<sup>4</sup> Vector looks forward to the GIC's consultation on this matter.
36. While we look forward to the GIC's review of these guidelines, we register our misgivings about the efficacy of the CCM Regulations as they relate to the designation of consumers as ESPs and MLCs. Work is required to develop a tighter set of definitions for curtailment bands. Consideration should also be given to how the bands operate, for example, how gas supply to thermal generators should be treated in dry years.
37. Vector has recommended that there should be some independence associated with the classification of customers as ESP or MLC:
  - a. Gas retailers have weak incentives to self-regulate as there is considerable benefit to their customers from being designated.
  - b. Gas retailers can risk losing customers over an ESP or MLC status disagreement.
  - c. The current regime also results in a customer's ESP or MLC status being reviewed when they change retailers (by the new retailer).<sup>5</sup>
38. These problems are compounded by the very loose criteria for determining whether a consumer is an ESP or MLC.
39. The current Regulations rely on the emergency response objectives set out in clause 59(4) of the Schedule of the National Civil Defense Emergency Plan Order 2005. This includes, for example, "provision of essential services (... food ...)". A liberal interpretation of this provision would be any food or

<sup>2</sup> As reflected in the letter from Simon Mackenzie to Steve Bielby, Post Maui Pipeline Outage Review, 4 April 2012.

<sup>3</sup> As per bullet 5 of the Terms of Reference in section 1.2 of the Concept Report.

<sup>4</sup> GIC, Post Maui Pipeline Outage Review – Update, 7 May 2012.

<sup>5</sup> Vector considers that it would be more appropriate for the review of ESP or MLC status to occur on a periodic basis.

beverage supply eg fast food chains and liquor manufacturers. The GIC's Essential Services and Minimal Load Guidelines (February 2009), which are voluntary, only go a limited way in narrowing this. For example, the Guidelines do not provide any guidance on what type of consumer would qualify under preservation of economic activity.

40. Even if a consumer legitimately qualifies as an ESP, Vector does not believe that consumer should assume it would be able to consume gas during a critical contingency let alone continue gas consumption at unrestricted levels. This is due to the low level of interconnection in the New Zealand gas system. If a consumer is genuinely an ESP, it should reasonably and prudently be expected to have considered its back-up arrangements within the specific context of the transmission system's ability to deliver any gas during a supply failure, and not all of its gas consumption would necessarily qualify as an essential service. There could be critical contingencies where gas supply is not possible. ESPs should have contingency plans to manage such situations.
41. There are also circumstances additional to being an ESP and MLC where it may be desirable to have ex ante categorisation processes. For example, meat and poultry processors may need continued gas supply for animal welfare reasons. Also, some factories may need to continue using gas for a certain amount of time to ensure an orderly (and safe) shut-down of production. The CCO experienced a large volume of these types of requests and issues during the Maui Outage.
42. Vector notes the following in relation to Concept's recommendations on consumer designation:
  - a. Concept Recommendation Ref. 5.5:<sup>6</sup> Vector would expect genuine ESP customers to have appropriate back-up supplies or alternative arrangements.
  - b. Concept Recommendation 3: Vector agrees consideration should be given to amending the CCM Regulations to require that all designations as an ESP must specify a minimum load considered to be "essential" which "[u]nder most circumstances...would be expected to be less than normal gas consumption".
  - c. Concept Recommendation 7:<sup>7</sup> Further consideration should be given to amending the CCM Regulations "to require consumers who wish to be designated as ESP to supply information on the essential nature of the service ..."
  - d. Concept Recommendation Ref. 5.10:<sup>8</sup> Further consideration should be given to the recommendation to "[r]etain flexibility to approve ESPs and MLCs during a contingency, but limit this to exceptional circumstances, and ensure that the arrangements encourage retailers and consumers to prepare in advance."
  - e. Concept Recommendation 8: Further consideration should be given to the recommendation that "[t]he Regulations are amended to require consumers who wish to be designated as MLC to supply information on the rationale ..."
  - f. Concept Recommendation 10: Vector would support amendment of the CCM Regulations to require all MLC and ESP designations to be approved by the GIC.

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<sup>6</sup> This recommendation is not contained in the Concept Report "List of all Recommendations".

<sup>7</sup> This recommendation is not contained in the Concept Report "List of all Recommendations".

<sup>8</sup> This recommendation is not contained in the Concept Report "List of all Recommendations".

It is not clear why Concept recommends establishment of an independent approving body as opposed to the function being undertaken by the GIC.

Vector does not support consideration of requiring retailers to make a recommendation on designation. All the reasons against having retailers make designations apply equally to requiring retailers to make a recommendation. Whether a retailer assists consumers with preparation of applications should also be a commercial decision for retailers and not a regulatory requirement.

**Recommendation 15 of the CCO Performance Report: GIC to lead an industry consultation process to consider the following and any other subsequently identified issues:**

- (a) if the regional status of a critical contingency should be designated when a critical contingency is declared;**
- (b) if a single entity should have the obligation to designate the regional status of the critical contingency;**
- (c) if the pricing and imbalance methodology could be applied to all critical contingencies hence removing the requirement to determine the regional status; and**
- (d) propose and implement any required amendments the Regulations that result from the consultation process.**

- 43. Vector considers further work is required to progress this recommendation.
- 44. While Vector supports consideration of whether the regional status of a critical contingency should be designated, Vector does not agree it is necessarily appropriate, as Concept recommends, the CCO be responsible for determining whether a critical contingency is a regional or national contingency.
- 45. Vector does not support Concept Recommendation 23 that “[t]he existing arrangements, whereby contingency imbalance calculations and contingency prices only apply to national contingencies, are retained.” Vector believes consideration should be given to whether “the pricing and imbalance methodology could be applied to all critical contingencies”.

**Recommendation 16 of the CCO Performance Report: How situations are dealt with whether the transmission system is curtailed and then partially restored.**

- 46. From a critical contingency operations perspective, Recommendation 16 is important for management of the event. Vector was surprised the Concept Report is silent on this important issue.

**Recommendation 17 of the CCO Performance Report: We recommend that the GIC and MED give consideration to the most appropriate mechanism for increasing knowledge and understanding of the critical contingency system.**

- 47. The Concept Report makes it clear that there is widespread poor information and understanding about the regulatory arrangements and requirements around critical contingencies.
- 48. For example, from stakeholder feedback, Concept concluded:

*Some consumers were not well prepared for a contingency and this may be a result of poor communication from some retailers about possible ESP and MLC designations.*

*There was some initial confusion about what “curtail” meant...*



*There was reportedly some confusion as to whether a designation should relate to a specific customer or a specific site ...*

*Some consumers were aware of the options to be designated as ESP or MLC, but were confused about which was best for their circumstances. Others were not aware of the ESP or MLC designations at all.*

*Other retailers were less prepared and confessed that they "would be better prepared for any future gas contingency ..."*

49. This reinforces Vector's view that the GIC and MED should address Recommendation 17 in the CCO Performance Report. The GIC has stated that it "is addressing wider issues, such as industry and consumer awareness of critical contingency management processes, and how best to communicate with stakeholders and the public before, during and after an event".<sup>9</sup> We look forward to further engaging with the GIC on this initiative.
50. Vector agrees with Concept's Recommendation 9 which states that "[t]he Regulations are amended to provide an on-going obligation on retailers to notify consumers about the possibility of loss of supply and the opportunity to apply for ESP and/or MLC designation."
51. Vector also agrees with Recommendation 11 of the Concept Report.

***Recommendation 18 of the CCO Performance Report: Whether compliance incentives are adequate for retailers and large users.***

52. The Maui Outage highlighted the need to consider: (i) whether the penalties for non-compliance with load curtailment requirements are adequate to incentivise compliance; (ii) the practicability to physically disconnect customers to ensure supply is ceased or curtailed (which largely relies on consumer goodwill); and (iii) the adequacy of penalties for end-users not ceasing to use gas. It is clear consumers that complied with the CCM Regulations, and curtailed consumption, were disadvantaged compared with non-compliant consumers.
53. The Concept recommendation that "Further consideration is given to how best to enhance the enforcement provisions to cover breaches by non-participant consumers and whether it is necessary to seek changes to the Gas Act" covers a narrow aspect of the Vector CCO Recommendation 18, and does not advance the recommendation.

***Recommendation 19 of the CCO Performance Report: We recommend that the GIC and MED consider potential improvements to the review and reporting process contained in the regulations.***

54. The Concept Report states the contingency review process could be improved by "[r]eplacing the current arrangement for "self-assessment" by the CCO with some form of independent assessment". Vector agrees with this recommendation with a requirement for the independent reviewer to specifically seek views and recommendations on the Regulations from the CCO.

**Future boundaries between the GIC and CCO**

55. Concept makes a number of recommendations for expanding the CCO's role which would result in the CCO taking on functions we believe should be the responsibility of the industry regulator or relevant government agencies. For the avoidance of doubt, Vector does not support the following recommendations:

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<sup>9</sup> GIC, Post Maui Pipeline Outage Review – Update, 7 May 2012.

- a. Concept Recommendation 17: "Further consideration is given to amending the Regulations to clarify that the CCO may call for public restraint and gas savings ..."

We are surprised Concept propose the CCM Regulations be amended to "allow" the CCO to make public conservation campaigns (PCCs), without any consideration of whether this role should be undertaken by the industry regulator. Vector considers that PCCs should not be undertaken by a market participant, whether a service provider or not.

The Electricity Authority's review of consumer compensation arrangements in the event of public conservation campaigns is worth noting in this respect. The review came about because "Some retailers have called for PCCs early in the onset of the dry winter sequence as a means of reducing their exposure to the high spot market prices that prevail in these situations."<sup>10</sup> This reinforces the point it should be the industry regulator and not a market participant that determines public conservation campaigns.

The industry regulator should also provide clear guidelines or protocols for determining when a PCC should occur.<sup>11</sup>

- b. Concept Recommendation 18: "The Regulations are amended to clarify that the CCO should take responsibility for coordinating communications during critical contingency ..." Asset owners should speak to their own assets.
  - c. Concept Recommendation 20: "The CCO Service Provider Agreement is amended to provide for the CCO to coordinate communications and appoint a spokesperson, and to provide the flexibility for the CCO to manage communications in a way that ensures they are appropriate to the circumstance ..."
  - d. Concept Recommendation 24: "The Regulations are amended to provide that the CCO should make a declaration as to whether a critical contingency is national or regional..."
  - e. Concept also suggests the CCO be given the option to determine whether a customer is an ESP or MLC category customer, though this was appropriately rejected on the ground that "The CCO ... may not be considered sufficiently independent of the consumers and the retailers".
56. Each of these recommendations would place responsibility on the CCO for matters that should be the proper function of the industry regulator.<sup>12</sup> As the incumbent CCO, Vector would consider these changes to materially alter the scope of the role, certainly beyond that anticipated at the time the service provider contract was entered into, and probably not consistent with its wider functions and position as a publicly-listed entity.
57. Vector does not support an ad hoc or "bolt on" approach to consideration of the CCO's functions. Review of the CCO's role should consider the underlying institutional arrangements that exist in the gas sector. For

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<sup>10</sup> Electricity Authority, Questions and Answers, Customer Compensation Scheme during Public Conservation Campaigns", 3 March 2011.

<sup>11</sup> For example, the Electricity Industry Participation Code 2010 prescribes that a PCC is triggered when hydro storage falls to the point that the risk of supply shortages is 10% or more and is forecast to remain at 10% or more for a period of at least one week. The PCC ends when storage recovers to an electricity shortage risk level of 8%.

<sup>12</sup> The possible exception is Concept's Recommendation 19: "Further consideration is given to whether it is necessary or desirable to amend the Regulations to provide the CCO with powers to require relevant information to be supplied by TSOs and other asset owners during a critical contingency".

example, consideration should be given to the merits of an Independent Service Operator (IPO) role that encompasses functions such as CCO, gas pipeline balancing, capacity trading and other services. This would provide for clearer accountability and division of functions. It is not uncommon in overseas jurisdictions for these functions to be undertaken by an independent operator.

### **Concluding remarks**

58. Vector agrees with the need for the GIC to ensure robust and effective management of critical contingencies and lessons are learnt from the Maui Outage. Vector is strongly of the view that the review of the CCM Regulations could and should have been undertaken expeditiously and should ensure it reflects lessons from the Maui Outage. Vector believes the CCO Recommendations 14 – 19 should be addressed as a matter of priority. The Concept report does not provide the requisite policy analysis to support progress in this regard.
59. Vector believes there needs to be clearer demarcation of roles and responsibilities amongst different stakeholders eg owner (MDL), CCO (Vector), and the regulator (GIC). The GIC should, as a matter of urgency, agree interim arrangements so that it can better deal with any communication requirements in future critical contingencies.
60. Vector stepped into the role of incident spokesperson during the Maui Outage as it was clear there was a communication gap and customers and other parties needed timely information. It would represent a failure to learn from the lessons from that event (and to a lesser extent, Pohokura) if Vector were placed in a position again where it was expected or asked to fill a communications void left by the regulator or other industry players.
61. A critical role that needs to be picked up and driven by GIC is that of education of industry participants (large and small). There needs to be a material improvement in the understanding of the gas supply chain and its vulnerabilities and the operation of the available critical contingency responses. While, as a result of the recent experience of Maui, this may currently be front of mind for many industry participants continual reinforcement is necessary as it will hopefully be some time before another incident of this magnitude affects gas supply.
62. Vector considers more work needs to be done to support robust policy decisions. The Concept Report would provide a useful set of “conversation starters” on issues that should be further progressed.

Yours sincerely



**Allan Carvell**

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