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Ian Wilson  
Gas Industry Co  
PO Box 10-646  
Wellington

3 November 2008

Dear Ian,

### **VTC Change Request Appeal- Submission**

1. This submission is made on behalf of OnGas Limited and Vector Gas Contracts Limited ("OnGas"). OnGas welcomes the opportunity to submit its views to the Gas Industry Company on the Vector Transmission Code ("VTC") Change Request Appeal.
2. This submission contains OnGas's views on Change Requests 4, 5, 6 and 7. In summary, our views are as follows:
  - OnGas **does not support** Change Request 4
  - OnGas **does not support** Change Request 5
  - OnGas **does not support** Change Request 6
  - OnGas **does not support** Change Request 7

### ***Change Request 4- Matching Payments In and Out of the BPP Account***

3. OnGas does not support Change Request 4 until it is amended in line with Vector Transmission's requests as outlined in the email from Vector Transmission dated 2 October 2008.
4. OnGas agrees with Vector Transmission's decision not to consent to the original change request as this put the responsibility on Vector Transmission to use reasonable endeavors to chase Non-Code Shippers upon failing to pay into the BPP Account. OnGas agrees with this decision since the BPP is managed by the BPP Trustee and not Vector Transmission.

5. OnGas considers that the alterations identified in the email from Vector Transmission dated 2 October 2008 should be made in order to enable Vector Transmission both the responsibility and the ability to chase Shippers upon failing to pay. These changes include:
  - (a) Vector to be granted the responsibilities of BPP Trustee; and
  - (b) Section 8.20 of the VTC to be amended, allowing for the recovery of costs associated with chasing a party who has failed to pay into the BPP Account.
6. OnGas anticipates that this Change Request will be re-issued with the above requested alterations made. Once the changes are made, OnGas will be in full support of Change Request 4.

#### ***Change Request 5 – Payments Into and Out of the BPP Account***

7. OnGas does not support Change Request 5 that proposes payments going into and out of the BPP Account are matched.
8. In effect, this Change Request would mean that Vector Transmission, acting as a Welded Party, would pay the full amount of Balancing Costs to Maui Development Limited ("MDL") or the Incentive Pool Trustee but the BPP Trustee would only pay Vector Transmission the amount in the BPP Account.
9. OnGas does not support the Change Request as it believes that the BPP Account having an overdraft facility is the correct mechanism to manage the matching of payments for BPP and this will also be the proper incentive on the BPP Trustee to seek all payments due from the Shippers and Non-Code Shippers.

#### ***Change Request 6 – Confidentiality***

10. OnGas does not support Change Request 6. OnGas supports the concept of transparency of information across the industry as long as this is applied to all parties equally. Thus, OnGas would support the Change Request if it gained the support of Non-Code Shippers.
11. OnGas anticipates that this Change Request will be re-issued with the support of Non-Code Shippers. Until this occurs, thereby gaining unanimous support of transparency, OnGas will remain opposed to the Change Request

#### ***Change Request 7 – Provision of Vector Running Imbalance Information***

12. OnGas does not support Change Request 7 in its current form. OnGas will be re-issuing the Change Request lodged by Contact to request that invoices issued by BPP Trustee to the Shippers not only include the Mismatch in the Pool

but also include Vector's Running Imbalance, this would not be separated out but included in the sum of Mismatch in the Balancing and Peaking Pool.

13. OnGas considers that this change will allow for Shippers to check their invoices without Vector Transmission having to providing their running imbalance position.
14. Thank you for considering this submission. If you have any queries, or require further information, please feel free to contact me at [a.carrick@vector.co.nz](mailto:a.carrick@vector.co.nz) or 04 462 8620.

Kind regards,

A handwritten signature in black ink, appearing to read 'Anna Carrick', with a large, stylized initial 'A'.

**Anna Carrick**

Gas Portfolio Manager

