



12 June 2009

Ian Wilson  
Gas Industry Co  
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95 Customhouse Quay  
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Dear Ian

**MDL's MPOC Change Request Dated 12 May 2009**

In accordance with section 29.4 of the Maui Pipeline Operating Code (MPOC) Maui Development Limited (MDL) has requested the Gas Industry Company (GIC) to make a written recommendation in respect of MDL's MPOC Change Request dated 12 May 2009.

Contact appreciates the opportunity to make a submission on MDL's Change Request.

Under the application MDL proposes amendment of the definition of Payback Point of the MPOC so that a Shipper may nominate gas for receipt or delivery at that point.

In principle Contact supports MDL's applications and believes that it is necessary, for the purposes of the MPOC, to define a point within the Maui pipeline where Line Pack can be purchased and sold for the purpose of managing Line Pack.

Contact notes that MDL does not intend to define a physical location for the Payback Point where Line Pack can be purchased and sold and that MDL will not impose any Throughput Charges in respect of gas deliveries where the Receipt Point or the Delivery Point is the Payback Point as defined under MDL's proposed amendment.

Contact also notes that the proposed Payback Point would not seem to have the status of a MPOC Welded Point and that there would be no Welded Party for the Payback Point. That could result in some ambiguity concerning rights and obligations at the Payback Point which may need to be addressed in the future if this becomes an issue. However, Contact believes that some additional provisions must be included in the MPOC because the Payback Point does not seem to be a Welded Point.

In particular, under section 4.1 of the MPOC, MDL has an obligation to publish Scheduled Quantities at each Welded Point and under section 4.2 MDL has an obligation to publish Approved Nominations. Contact believes that to make the management of pipeline balancing transparent that MDL should publish Scheduled Quantities at the Payback Point in the same way that MDL publishes other Scheduled Quantities. It is also necessary for MDL to advise Approved Nominations for the Pay Back Point to the Shipper making nominations at the Pay Back Point.

Contact believes the following additions should be made to the table titled “**Information generally available on the MDL IX**” (words underlined are additions):

| <b>Information</b>                               | <b>Frequency of Posting</b>                                      |
|--|--|
| <u>Scheduled Quantities at the Payback Point</u> | <u>As amended after the completion of each nomination cycle.</u> |

Contact also believes the following additions should be made to the table titled “**Information restricted to each Shipper on the MDL IX**” (words underlined are additions).

| <b>Information</b>   | <b>Frequency of Posting</b>   |
|--|---|
| <u>Provisional Nomination for the Payback Point pursuant to section 8.10</u>         | <u>By 6pm on each Nomination Day.</u>   |
| <u>Approved Nomination for the Payback Point pursuant to section 8.12</u>            | <u>For each Transmission Day, no later than 6.00 pm on the previous Day and as updated from time to time.</u> |
| <u>Intra-day Approved Nominations for the Payback Point pursuant to section 8.16</u> | <u>For each Transmission Day, no more than 2 Hours after the Intra-Day Nomination Deadline.</u>               |

Contact is happy to respond to any questions related to this submission.

Yours sincerely



Alex Love  
**Manager Gas Markets**