

MAUI PIPELINE CRITICAL CONTINGENCY UPDATE

The following is an update of the Maui pipeline event in the White Cliffs area of New Plymouth.

Since late Monday evening, Vector has managed the Maui pipeline incident in accordance with the regulatory protocols established by the Gas Industry Company as Critical Contingency Operator.

The management of this issue is a very complex one, given the need to ensure all actions meet stringent health, safety and environmental standards as well as compliance with pipeline management standards and other requirements such as resource management and civil aviation. This process has to be managed methodically so no further issues arise that compound the integrity of the pipeline or surrounding area.

A full team of Vector staff and contractors have been on site since the incident was notified, have worked through the night (on Monday) and will work through the night on Tuesday to manage the process, enable excavation and start assessing the nature of the damage to Maui Developments Limited's pipeline.

Chain of Events

- Upon notification of a gas escape staff were immediately despatched to the location.
- Subsequently, the Critical Contingency Operator notified the industry of a potential critical contingency in accordance with GIC industry protocols.
- Early Tuesday morning (1:21am) a directive was issued to level 1 customers under the protocols declaring a critical contingency. These customers being gas fired electricity generators and NZ Refinery.
- At the same time, Transpower (the electricity system operator) was notified so as to ensure it could plan for sufficient generation to meet any shortfall in electricity supply as a result of gas curtailment.
- Following this the Maui pipeline was isolated to confirm whether the escape was on the Maui pipeline or the smaller adjacent Vector pipeline.
- The Maui pipeline was confirmed as the source of the escape early on Tuesday morning.
- Following this the Critical Contingency Operator in conjunction with the GIC issued a demand curtailment direction to customers on the Northern Pipeline (Bay of Plenty and Morrinsville), band 2 to 6 being the remaining bands under the curtailment protocols
- During this period of time Vector staff were mobilising necessary repair crews, excavation equipment and confirming repair procedures. This afternoon geotechnical engineers were on site along with staff and contractors, so that excavation could commence through the night to ascertain the extent of the damage to the pipeline.
- Once the excavation is complete, Vector should be in a position to notify the Critical Contingency Operator the extent of the repair requirement and as a result

of this the CCO will update gas supply models to assess available gas for impacted customers.

- In conjunction with the GIC, retailers and pipeline shippers have been advised of the event and in turn have instructed their customers of the need for curtailment in accordance with GIC protocols.
- Curtailment of load is not a simple process as gas users need to curtail their gas use and manage the impact on their business, run down production lines as well as essential services needing to also manage their critical services.
- Vector's engineers and contractors continue to work through the night to manage the process of repairing and returning to service for Maui Development.
- Vector's pipeline, that runs adjacent to the Maui Developments pipeline is fully operational and is currently supplying residential customers in Auckland, Waikato and Bay of Plenty.

About:

Maui Developments Limited – the asset owner of the Maui Pipeline

Gas Industry Company – regulatory body of the gas industry, including the responsibility for the development of administration and Critical Contingency Curtailment protocols

Critical Contingency Operator – independent manager employed to administer the GIC's critical contingency protocols. Vector currently fulfils this role under contract to GIC.

Vector – technical operator of the Maui pipeline