

20 December 2010

Jo Murray
Commercial Manager - Networks
Vector Limited
Private Bag 39980
Wellington Mail Centre
Lower Hutt 5045

Dear Jo

The Transmission Pipeline Interconnection Review

I would like to thank Vector for its participation in Gas Industry Co's review of transmission pipeline interconnection arrangements. The review process has resulted in a number of improvements to industry interconnection arrangements. These improvements have helped to more closely align arrangements with the *Guidelines on Interconnection to Transmission Pipelines* and the objectives of the Gas Act and GPS. All review material can be now found on Gas Industry Co's website.

Attached to this paper, you will find the *2010 Review of Vector's Interconnection Arrangements* and a copy of our advice to the Minister.

Our advice to the Minister is that regulation is unnecessary at this stage. We do think, however, that the dispute resolution processes of both TSOs could be further improved but that this can be achieved without regulation. We propose reviewing how well the new arrangements perform by evaluating the next interconnections to the Vector and MDL pipelines.

We note that Vector's proposed interconnection arrangements that have been assessed in the review paper are still in draft form and are not yet publicly available. It would be helpful if Vector could advise Gas Industry Co once the arrangements have been finalised. We also request that Vector notify us of any changes that it has made to the proposed arrangements.

We would like to see the arrangements finalised in a timely manner. This will help to ensure the new arrangements are in place for any parties potentially seeking interconnections.

Yours sincerely

Ian Wilson

Principal Adviser – Infrastructure Access Group

Attached:

2010 Review of Vector's Interconnection Arrangements, December 2010
Advice to the Minister, December 2010