

APPLICATION FOR GAS INDUSTRY COMPANY'S RECOMMENDATION ON PROPOSED AMENDMENTS TO THE MAUI PIPELINE OPERATING CODE ("MPOC")

Date of Application: 21/12/2012

Applicant: Maui Development Limited

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1. Introduction

1.1 In accordance with the standard "Recommendation Request Form" issued by Gas Industry Company Limited (**GIC**), this application by Maui Development Limited (the **Applicant**) includes the following information:

- (a) details of the amendments to the Maui Pipeline Operating Code (**MPOC**) proposed by the Applicant; and
- (b) the reasons for the proposed amendments.

1.2 Please also find enclosed with this application a marked up copy of MPOC showing the Applicant's proposed amendments in full.

1.3 In making this application, the Applicant has taken into account the MPOC Change Request dated 13 October 2011 (**B2B Change Request**). The B2B Change Request does not have any bearing on the changes proposed in this Application.

2. Shortening of the Approval and Confirmation Times

2.1 The current arrangement will remain in place for the Provisional Cycle. This is to allow parties sufficient time to enter all nominations for this cycle.

2.2 The Change Provisional and Intra-Day cycles will have the confirmation time reduced to 30 minutes and the approval time reduced to 30 minutes. This change is expected to have the following benefits:

- (i) Increased opportunities to self-balance;
- (ii) Reduced financial exposure to balancing costs;
- (iii) Increased intra-cycle time efficiencies;
- (iv) Increased time for parties to adjust physical plant after change provisional approvals; and
- (v) Allows for future investigation of most efficient ID cycles

2.3 The Applicant considers the proposed amendments only relate to the clauses of the MPOC required to reduce the confirmation and approval times. The changes proposed are relatively minor and, in the Applicant's opinion, should be uncontroversial. The Applicant considers the changes will not affect parties not subject to the MPOC.

2.4 All Shippers and Welded Parties have already been given the opportunity to comment on the changes proposed and no objections were received.

2.5 Due to the prior consultation undertaken with all Shippers and Welded Parties and the mechanical nature of changes required the Applicant sees merit in expediting the GIC's change request process to the extent possible.

- 2.6 There are no substantial costs associated with this change request.
- 2.7 In the Applicant's opinion this change request is not affected by any Act or the requirements of the Memorandum of Understanding between GIC and MDL.

Schedule: Summary of Proposed Amendments

All changes are directly related to the reduction of confirmation and approval times. There are no other changes included in this Reduction of Approval and Confirmation Times change request.

Number	Section	Issue	Proposed Change	Rationale for Proposed Change
1	4.1	Change in Posting Time	Amend the “Frequency of Posting” for <i>Target Taranaki Pressure at the time all Approved Nominations are confirmed</i> from 6.00pm to 5.00pm	This reflects the hour reduction in the combined confirmation and approval process under the proposal
2	4.1	Change in Posting Time	Amend the “Frequency of Posting” for <i>Contingency Volume that MDL aims to have available for each Day</i> from 6.00pm to 5.00pm	This reflects the hour reduction in the combined confirmation and approval process under the proposal
3	4.1	Change in Posting Time	Amend the “Frequency of Posting” for <i>Changed Provisional Cycle Scheduled Quantity at each Welded Point pursuant to section 9.7</i> from 6.00pm to 5.00pm	This reflects the hour reduction in the combined confirmation and approval process under the proposal
4	4.1	Change in timeframe	Amend the “Frequency of Posting” for <i>Intra-Day Cycle changes to Scheduled Quantities at each Welded Point</i> from 2 hours to 1 hour	This reflects the hour reduction in the combined confirmation and approval process under the proposal
5	4.2	Change in Posting Time	Amend the “Frequency of Posting” for <i>Provisional Nomination for each Welded Point pursuant to section 8.10</i> from 6.00pm to 5.00pm	This reflects the hour reduction in the combined confirmation and approval process under the proposal
6	4.2	Change in Posting Time	Amend the “Frequency of Posting” for <i>Approved Nomination for each Welded Point for the following Day pursuant to section 8.12</i> from 6.00pm to 5.00pm	This reflects the hour reduction in the combined confirmation and approval process under the proposal
7	4.2	Change in Timeframe	Amend the “Frequency of Posting” for <i>Intra-day Approved Nominations for each Welded Point</i>	This reflects the hour reduction in the combined confirmation and approval process under the proposal

Number	Section	Issue	Proposed Change	Rationale for Proposed Change
			<i>pursuant to section 8.16</i> from 2 hours to 1 hour	
8	4.3	Change in Posting Time	Amend the "Frequency of Posting" for <i>Daily Operational Imbalance Limit for each Welded Point</i> from 6.00pm to 5.00pm	This reflects the hour reduction in the combined confirmation and approval process under the proposal
9	4.3	Change in Posting Time	Amend the "Frequency of Posting" for <i>Peaking Limits</i> from 6.00pm to 5.00pm	This reflects the hour reduction in the combined confirmation and approval process under the proposal
10	4.3	Change in Posting Time	Amend the "Frequency of Posting" for <i>Running Operational Imbalance Limits (positive and negative) for each Welded Point</i> from 6.00pm to 5.00pm	This reflects the hour reduction in the combined confirmation and approval process under the proposal
11	4.3	Change in Posting Time	Amend the "Frequency of Posting" for <i>Scheduled Quantities at each Welded Point for the following Day</i> from 6.00pm to 5.00pm	This reflects the hour reduction in the combined confirmation and approval process under the proposal
12	4.3	Change in Posting Time	Amend the "Frequency of Posting" for <i>Approved Nominations for each Shipper</i> from 6.00pm to 5.00pm	This reflects the hour reduction in the combined confirmation and approval process under the proposal.
13	8.12	Change in deadline, and timeframes allowed to complete tasks	Reduce the confirmation time from 1 hour after nomination deadline to 30 minutes	To reflect the reduction in approval and confirmation times
14	8.16	Change in deadline, and timeframes allowed to complete tasks	Reduce the approval time from 2 hours after nomination deadline to 1 hour	To reflect the reduction in approval and confirmation times
15	8.16 (b)	Change in deadline, and timeframes allowed to complete tasks	Reduce the confirmation time from 1 hour after nomination deadline to 30 minutes	To reflect the reduction in approval and confirmation times and maintain consistency with Section 9

Number	Section	Issue	Proposed Change	Rationale for Proposed Change
16	8.22	Change of timing	Change the capacity algorithm to be run after 4:30pm instead of 5pm	Reflect the new timeframes.
17	8.23	Change of timeframes	Change the minimum time after nominations for the capacity algorithm from 1 hour to 30 minutes	Reflect the new timeframes
18	9.6	Change of confirmation times	Change the end of the confirmation window from 5pm to 4:30pm	Reflect the new timeframes
19	9.8	Change of timeframes	Change the deadline for advising MDL of Welded Point confirmation from 1 hour to 30 minutes	Reflect the new timeframes