

Tim Herbert

From: John Bright
Sent: Wednesday, 21 December 2011 12:40 p.m.
To: Katherine.Shufflebotham@vector.co.nz
Cc: Ian Dempster; Ian Wilson; Melanie Leonard
Subject: 14 December 2011 VTC Change Request Appeal - Request for further information

Hi Katherine,

Thank you for email on 14 December regarding Vector's Appeal to Allow Invoicing Change Request ("14 December Change Request").

We have considered Vector's application and, as per section 3.2 of the Vector-Gas Industry Co MOU, request that Vector provides the following information in order to assist our processing of the Change Request Appeal:

Peaking charges

1. What is the frequency and magnitude of peaking charges over the last few years? Do you consider that this is a good indication of possible future peaking charges?
2. Can you explain specifically why Vector has not been able to apply the current peaking provisions of the VTC? It appears that the current arrangements involve making an effort to identify the parties responsible for peaking, whereas the proposed change involves smearing the costs of peaking across all users. Can Vector provide some examples to help us understand why this change is desirable?

Allocation of BPP Amounts on Insolvency Events

3. What is Vector's rationale for inserting new clause 8.36? Does Vector have insurance cover for this type of risk at present?
4. What impact (if any) does the Commerce Commission's proposed Input Methodologies have on the proposed clause 8.36?

Prudential requirements

5. What is Vector's rationale for increasing the amount payable by Shippers to Vector or the BPP Trustee from \$100,000 to \$115,000?
6. What is the rationale for deleting section 14.8 (accrual of interest)?
7. Does Vector have business continuity insurance or some other form of insurance that mitigates the need for this prudential cover?

Disputed invoices

8. What is Vector's rationale for changing the process for disputed invoices and specifically the inclusion of (new) clause 16.17(b)?

Please inform us if any of this information is confidential as it is our intention to provide this information publicly.

If Vector is able to provide the information above by 31 January 2012, Gas Industry Co envisages the 14 December Change Request will be achievable according to the following timetable. Please note that this timetable is indicative only and conditional upon Vector providing the information above by 31 January 2012.

Milestone	Date
Vector provides information requested by GIC	31 January 2012
Submissions called for 14 December 2011 VTC CR	1 February 2012
Submissions close for 14 December 2011 VTC CR	22 February 2012
GIC Draft Recommendation released and submissions called	23 March 2012
Submissions on GIC Draft Recommendation close	11 April 2012
GIC Final Recommendation	30 April 2012


Let me know if the timetable above looks suitable.

Kind Regards,

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