

VTC CHANGE REQUEST

21 January 2009

Change Request

- 1 Pursuant to section 25 of the of the Vector Transmission Code (*Code*), Vector wishes to amend the Code in accordance with this Change Request, for the reasons explained in paragraph 3 below, as follows:
 - 1.1 Delete section 8.25 (but not the heading) and replace it with the following:

“The BPP Trustee shall:

 - (a) make any payments from the BPP Account in accordance with:
 - (i) this *section 8* only to Shippers and Vector or, if Vector makes a request under *sections 8.13, 8.18(a)* and/or *8.19(a)*, the Incentives Pool Trustee and/or the Gas Provider; and
 - (ii) the equivalent section to *section 8* in a Non-Code Shipper’s transmission services agreement only to Non-Code Shippers and Vector or, if Vector makes a request under the equivalent sections to *sections 8.13, 8.18(a)*, and/or *8.19(a)*, the Incentives Pool Trustee;
 - (b) have, and may exercise, the power to borrow for the purpose of enabling payments from the BPP Account to be made pursuant to paragraph (a) above.”

Reasons for the amendments

- 2 Vector has recently changed its banking services provider. In the course of doing so and in the context of responding to our request for an overdraft facility for the BPP Account, the provider sought confirmation from Vector that the BPP Trustee has an express power to borrow under the Vector Transmission Code. The current version of the Code does not give the BPP Trustee an explicit power to borrow. Vector believes this to be an inadvertent omission, and notes that trust law experts were not involved at the time the Code was initially negotiated. If they had been, the need for an express provision would have been identified and progressed. The BPP Account was always intended to run with an overdraft facility – to run it without this facility is not feasible as there will often be occasions when cash shortfalls in the BPP Account occur due timing differences between cash inflows and outflows.

Nature, intended impact and effect of amendments

- 3 The effect of this Change Request is that the BPP Trustee will have the power to borrow, which will allow it to set up an overdraft facility for the purposes of making payments out of the BPP Account as required by section 8 of the Code or the equivalent section in a Non-Code Shipper's transmission services agreement. The overdraft facility will resolve the timing difference between BPP Account cash inflows and outflows and allow the BPP Trustee to make payments out of the BPP Account in a timely manner.

Effective date of change request

- 4 Vector wishes the changes set out in this Change Request to take effect from 1 January 2009.

General

- 5 Unless the context requires otherwise, all capitalised terms in this change request shall have the same meaning given to them in the Code.
- 6 By signing below (or clearly responding to Vector via email), each person gives its consent to the amendment of the Code, as outlined in paragraph 1 above, from 1 January 2009. This document may be executed in counterparts, with all copies (and associated responses via email) to be read and construed as one document.

Vector Gas Limited

Contact Energy Limited

E-Gas Limited

Genesis Power Limited

Greymouth Gas New Zealand
Limited

Mighty River Power Limited

OnGas Limited

Vector Gas Contracts Limited

Nova Gas Limited

Wanganui Gas Limited