

From: Jo Murray [Jo.Murray@vector.co.nz]

Sent: Thursday, 4 December 2008 4:08 p.m.

To: Jo Murray; LOVE, Alex; Anna Carrick; Blair Boswell; Charles Teichert; davidemerson@multigasnz.com; Duncan.Jared@mightyriver.co.nz; Jim Raybould - MRP; Jim Seymour; Lara; Michael Ram; Roger.Johnston@genesisenergy.co.nz; Syd Hunt; Wray, Sharon

Cc: Paul Hodgson; Steve Kirkman; Bob Sheppard; Julie Langford

Subject: RE: Urgent: VTC Change Request from Contact Energy: Daily Information

All,

Vector Gas Limited ("Vector") does not consent to Contact's VTC Change Request re Daily Information ("Daily Information CR").

The substance of the Daily Information CR is the same as the draft sent to Vector and to Shippers for comment in mid-October. At that time, Vector responded noting that it would not be able to offer the service that the change required.

On the formal lodging of the Daily Information CR, Vector looked again at whether it would be able to accommodate the request. Our conclusion has, however, not changed. Accordingly, Vector must withhold its consent and the reasons for its decision are set out below:

- The VTC currently provides for the posting of data collected via SCADA and Telemetry on a Business Day in arrears basis. This is because for a good number of points the data needs to be manipulated before it can be posted on OATIS. Human intervention is therefore required.
- The Vector Metering and Measurement team which manipulates this data before it can be posted works on Business Days. The team is supported by a number of specialists (IT, systems, metering and telemetry specialists) who also only work on Business Days. Additional resources were brought into the Vector team to meet the requirements of open access, and the team is efficiently resourced to meet Vector's obligations under the MPOC and VTC – the terms of both of which extend beyond any monthly balancing allowance or entitlement associated with Maui Legacy Gas.
- Certain parties have suggested that the Vector Gas Control team could undertake the work because it has cover on a 24/7 basis. The Gas Control team is not trained in the manipulation and provision of metering data, nor would it be appropriate for them to be. The Gas Control team is resourced with individuals of a completely different skill set to that required by that of the Metering and Measurement team. In any event, the specialist support services that I referred to above are not available on non-Business Days, so a complete and reliable service could not be offered.
- No resource is therefore available to meet the service requested by the Daily Information CR.
- To be able to provide the service that the change request requires at some future date, Vector would need to employ more staff into the Metering and Measurement team and employ specialist support that is prepared to offer a 24/7 service. As I mentioned in our response to the draft of this change request, the calibre of person required to do the work of a member of the Metering and Measurement team, tends not to want to work the unsociable hours that a daily service would require. Vector has had considerable difficulty recruiting into the team (and the scheduling team) to date, as the hours the team works are different from those ordinarily required. Our experience leads us to conclude that we would not be able to adequately resource a daily or 24/7 service without having to lower quality standards – meaning that, at the very least, data would need to remain un-validated on non-Business Days.
- Vector also does not believe that even if it were able to resource itself sufficiently on some future date to provide the service the Daily Information CR requests it could not

reasonably expect to recover the costs associated with this change. Vector now has a restriction on its average tariff increases as a result of recent amendments to the Commerce Act, and the pressure on its existing cost base means that if Vector were to take on additional costs, it is unlikely to be able to recover them.

Vector provides information in as timely a fashion as it is able, and that is reflected in the current timeframes and deadlines set out in the MPOC and the VTC.

Whilst Shippers may not have "perfect" information under the current VTC regime, Vector rejects Contact's implicit assertion that as a result it is unreasonable for Shippers to bear the consequence of their imbalance. Shippers create imbalance and accordingly, they should bear the consequences of it.

Kind regards, Jo

Jo Murray

Commercial Manager - Gas Transportation

Vector Gas Limited

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Email: jo.murray@vector.co.nz

From: Jo Murray

Sent: Friday, 14 November 2008 10:26 a.m.

To: 'alex.love@contact-energy.co.nz'; Anna Carrick; 'Blair Boswell'; Charles Teichert; davidemerson@multigasnz.com; 'Duncan.Jared@mightyriver.co.nz'; 'Jim Raybould - MRP'; Jim Seymour; 'Lara'; 'Michael Ram'; 'Roger.Johnston@genesiseenergy.co.nz'; 'Syd Hunt'; Wray, Sharon

Cc: Paul Hodgson; Steve Kirkman; Bob Sheppard; Jo Murray; Julie Langford

Subject: Urgent: VTC Change Request from Contact Energy: Daily Information

Importance: High

All

Attached is an email from Contact Energy which itself attaches a VTC Change Request. Vector is forwarding this email (and the Change Request) to you in accordance with section 25.4 of the VTC. If you require any further detail on the Change Requests please contact Alex Love or Sharon Wray directly.

In accordance with the VTC you have 15 Business Days in which to respond – if you agree with a Change Request please sign it and return it to Vector; if you disagree with a Change Request and wish to make that known, please email Vector.

A VTC Change Request Table has been lodged under "VTC Updates" on the Publications page of Vector OATIS.

If you have any questions about the change request process, please call me.

Kind regards, Jo

Jo Murray

Commercial Manager - Gas Transportation

Vector Gas Limited

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