

Curtis Gregorash

From: LOVE, Alex [Alex.LOVE@contact-energy.co.nz]
Sent: Thursday, 16 October 2008 2:40 p.m.
To: Ian Wilson; Curtis Gregorash
Cc: Coull, David; Whiteley, Tim; Wray, Sharon
Subject: FW: Update on Contact's VTC Change Requests / Amended VTC
Attachments: 081015 VTC v 4 (red-lined from v 3).DOC; 081015 VTC v 4 (Effective 1 October 2008).pdf

Ian and Curtis

Vector provided the attached email yesterday. It provides further information on VTC shipper responses to Contact's VTC Change Requests. It's disappointing that Vector did not provide this information until after the opportunity to appeal to the GIC had expired.

Regards

Alex Love
 Manager Gas Markets



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Please consider the environment - do you need to print this email?

From: Jo Murray [mailto:Jo.Murray@vector.co.nz]
Sent: Wednesday, October 15, 2008 5:19 p.m.
To: 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; Jo Murray; Bob Sheppard; Tim Bush; Christopher Boxall; Todd Spencer; Brigid McArthur
Subject: Update on Contact's VTC Change Requests / Amended VTC

All,

Certain of the VTC Change Requests initiated by Contact received support from Vector and more than 75% of the Shippers who responded on the issue, others did not.

Results

The results, in accordance with section 25 of the VTC, were as follows:

Change Request 1: Passed; Approved by Vector and more than 75% of the Shippers who responded on the issue (5 out of 5 responses were in support);

Change Request 2: Passed; Approved by Vector and more than 75% of the Shippers who

responded on the issue (5 out of 5 responses were in support);

Change Request 3: Did not Pass; Rejected by Vector and not approved by more than 75% of the Shippers who responded on the issue (2 out of 5 responses were in support);

Change Request 4: Did not Pass; Rejected by Vector and not approved by more than 75% of the Shippers who responded on the issue (2 out of 5 responses were in support);

Change Request 5: Did not Pass; Rejected by Vector and not approved by more than 75% of the Shippers who responded on the issue (3 out of 5 responses were in support);

Change Request 6: Did not Pass; Rejected by Vector and approved by more than 75% of the Shippers who responded on the issue (5 out of 5 responses were in support);

Change Request 7: Did not Pass; Rejected by Vector and approved by more than 75% of the Shippers who responded on the issue (5 out of 5 responses were in support);

Change Request 8: Approved; Approved by Vector and more than 75% of the Shippers who responded on the issue (4 out of 5 responses were in support).

Issues

Vector copied everyone in on its response – so you have this information. Three Shippers indicated to Vector that they did not understand the rationale for the “1 December 2007” date in Change Request 3 hence their rejection of it and one Shipper considered Change Request 4 to be “unnecessary given the Deeds of Amendment to Non Code Shippers Transmission Services Agreements signed in September 2005”. Vector pointed all Shippers with questions to Alex and Sharon.

Appeal to GIC

All Shippers who responded and (a) supported a Change Request that did not pass; or (b) rejected a Change Request that did pass, have the right to take the matter to the GIC in accordance with section 25 of the VTC. The GIC Board has approved the MOU governing this appeals process and the MOU will be posted on OATIS shortly – it just needs to be signed by Christine Southey and a Vector representative. We asked for your input on the substance of the MOU earlier this year and managed to incorporate all of your suggestions. It is similar to, but in our view, an improvement on the MDL MOU. The GIC was obviously very keen for the two MOUs to be similar.

Vector understands from the GIC that Contact has lodged an appeal in relation to Change Requests 4, 5, 6 and 7, although we have yet to receive formal notification of this. Once we do, the GIC will frame-up the appeal, put it out for consultation and you will all have an opportunity to put your views forward by submission.

Amended Change Requests

Vector is investigating whether the “1 December 2007” date reference in Change Request 3 can be simply changed to 1 October 2005 – as this was the date from which OI and mismatch positions were created, and then re-submitted for consideration by all parties.

Vector will also be asking all Non-Code Shippers if they would consent to a change to their TSAs equivalent to what Contact has requested in Change Request 6 – although we understand Contact has already appealed this CR to the GIC.

New VTC

A VTC incorporating Change Requests 1, 2 and 8 is attached. This VTC is effective from 1 October 2008 as that is the effective date specified by Contact in those CRs. It will be posted on OATIS shortly. I have also attached a mark-up of the previous version for those that might

like to mark-up their current copies by hand.

Kind regards, Jo

Jo Murray

Commercial Manager - Gas Transportation

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