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1 May 2015

CHANGE REQUEST NOTIFICATION: CONGESTION MANAGEMENT ARRANGEMENTS

1. Pursuant to section 25.4 of the Vector Transmission Code posted on OATIS and effective as at 1 April 2015 (*Code*), this is a Change Request Notification for proposed amendments to the Code regarding congestion management arrangements.
2. The following documents are appended to this Change Request Notification:
 - (a) A list of the proposed changes to be made to the Code;
 - (b) A draft Load Curtailment Agreement; and
 - (c) Draft Standard Operating Procedures for congestion management arrangements.

Summary of proposed change

3. Vector, in conjunction with the Gas Industry Transmission Access Working Group (*GITAWG*), has developed proposed arrangements for congestion on Vector transmission system.
4. The proposed arrangements are intended to be used:
 - (a) in times of physical congestion on any part of the Vector system as a demand management tool; An
 - (b) to alleviate contractual congestion, if it emerges on any part of the Vector system in the future.
5. The GITAWG has previously consulted on the proposed arrangements. Copies of the consultation documents, which provide more detail about the proposed arrangements, can be found at <http://gasindustry.co.nz/work-programmes/gas-transmission-investment-programme/industry-led-process/#working-group>.
6. The proposed amendments provide for:
 - (a) a new type of supplementary agreement, to be known as a Load Curtailment Agreement (*LCA*), under which a particular end-user (or multiple end-users) of that Shipper may be curtailed on certain conditions;
 - (b) a process under which Vector may require Shippers who have signed an LCA to require specified end users to curtail usage during times of congestion (a

congestion event), including identifying how a congestion event is to be identified and notified; and

- (c) a congestion management payment pool into which amounts are to be paid by Shippers in respect of usage during a congestion event, and out of which payments are to be made to Shippers whose end-users were curtailed during an event, including formulae for calculating the amounts to be so paid.

Effective date of change request

- 7. The intended effective date of the proposed amendment is 1 August 2015.

Invitation for submissions

- 8. In accordance with section 25.6 of the Code, any party to the Code or any other interested person may provide a response to this Change Request Notification by 5pm on 22 May 2015. Submissions received after this date will not be considered, subject to the provision in section 25.15 for the parties to the Code to extend this deadline.
- 9. Submissions may be provided by emailing them to Anna.Casey@vector.co.nz.

Draft Change Request

- 10. Subject to submissions received in response to this Change Request Notification, and to any extensions made under section 25.15, an amended version of the Code shall be issued in accordance with section 25.7 by 5pm on 8 June 2015, being 10 Business Days after the closing date for submissions set out in paragraph 8 above.

Anna Casey
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