

30 January 2012



Vector Limited

101 Carlton Gore Road
PO Box 99882, Newmarket
Auckland 1149, New Zealand
www.vector.co.nz

Corporate Telephone
+64-9-978 7788

Corporate Facsimile
+64-9-978 7799

Ian Wilson
Senior Technical Advisor – Infrastructure
Gas Industry Company
PO Box 10-646
Wellington

Dear Ian

**Cross Submission on MPOC Change Request
of 13 October 2011**

1. Vector Limited (“Vector”) welcomes the opportunity to make a cross-submission on Maui Development Limited’s (“MDL”) proposed changes to the Maui Pipeline Operating Code (“Change Request”) in relation to back-to-back balancing, dated 13 October 2011.
2. Vector notes that none of the parties who submitted on the Change Request expressed unconditional support for MDL’s proposal. Submitters generally agreed that any changes to the MPOC must be coordinated with changes to the Vector Transmission Code.
3. A number of submitters called for the introduction of nominations on all or part of the Vector Pipeline. Since the Change Request was lodged, Vector has been considering the effect of incorporating the operation of its Frankley Road pipeline into the MPOC for the purposes of balancing and peaking costs.
4. Should there be sufficient support from industry a working group of interested parties will be convened to consider how it could be implemented.
5. As indicated in our submission of 15 November 2011 on the Change Request, Vector has lodged a notice of material adverse effect with MDL. Vector and MDL are engaging in discussions to consider the overarching principles of a balancing regime that would

ensure the right incentives to balance are efficiently managed and the cost of balancing is borne by the causers.

6. If you have any questions, or require further information, please contact Luz Rose on 04 803 9051 or Luz.Rose@vector.co.nz.

Kind regards

A handwritten signature in blue ink that reads "B. Girdwood".

Bruce Girdwood
Manager Regulatory Affairs