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John Bright
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Dear John

**Submission on the Gas Processing Facilities
Information Disclosure Rules**

1. Vector Limited ("Vector") welcomes the opportunity to make this submission on the Gas Industry Company's ("GIC") proposed recommendation on the Gas (Processing Facilities Information Disclosure) Rules 2008 ("the Rules"), dated 26 November 2012.
2. Vector strongly supports the GIC's proposed recommendation to the Minister for Energy and Resources to allow the Rules to lapse after 27 June 2014.
3. Vector commends the GIC's analysis of the gas processing facilities market and could not agree more that there is no market failure in this market that warrants continued information disclosure regulation or any form of access regulation. This is clearly supported by Concept Consulting's *Review of Gas Processing Access Arrangements*.
4. Based on its knowledge of and experience in the gas processing facilities market, Vector agrees, in particular, that:
 - the existing information disclosure regime has been of little, if any, use to the industry;
 - there had been very few *bona fide* approaches for third party access; and
 - it has been shown that commercially acceptable outcomes can be negotiated.

5. The GIC's proposed recommendation is consistent with the Government's Statement of Regulation, which states that the Government:

...will resist the temptation or pressure to take a regulatory decision until we have considered the evidence, advice and consultation feedback, and fully satisfied ourselves that...the problem cannot be adequately addressed through private arrangements and a regulatory solution is required in the public interest...¹

6. In addition, and as the GIC itself indicated, the proposed recommendation is consistent with arrangements in gas processing facilities in overseas jurisdictions, where there is little or no regulatory intervention.²
7. Vector therefore joins the rest of the parties, who had been consulted by Concept Consulting to inform this review, in expressing the view that continued information disclosure regulation or any access regulation of the gas processing facilities market is unwarranted.
8. No part of this submission is confidential and Vector is happy for it to be made publicly available.
9. Vector's contact person for this submission is:

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Yours sincerely



Bruce Girdwood
Manager Regulatory Affairs

¹ <http://www.treasury.govt.nz/economy/regulation/statement/govt-stmt-reg.pdf>, page 2

² Page 9 of the consultation document