



17 December 2009 MPOC
Change Request:
Confirmation of Final
Recommendation

August 2010





About Gas Industry Co.

Gas Industry Co was formed to be the co-regulator under the Gas Act.

Its role is to:

- recommend arrangements, including rules and regulations where appropriate, which improve:
 - the operation of gas markets;
 - access to infrastructure; and
 - consumer outcomes;
- administer, oversee compliance with, and review such arrangements; and
- report regularly to the Minister of Energy and Resources on the performance and present state of the New Zealand gas industry, and the achievement of the Government's policy objectives for the gas sector.

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Introduction

1.1 Purpose

This paper presents Gas Industry Company Limited's (Gas Industry Co) final recommendation on the Maui Pipeline Operating Code (MPOC) change request submitted by Maui Development Limited (MDL) on 17 December 2009 (the December Change Request).

1.2 Gas Industry Co's role under the MPOC

Section 29 of the MPOC assigns Gas Industry Co a role in respect of any proposed amendment to the MPOC (a change request). Gas Industry Co's role is to consult on the change request with the gas industry and determine whether or not to support the change. A change request proceeds only where required by law or where Gas Industry Co makes a written recommendation to MDL supporting the change request. MDL has sole discretion to reject a recommendation if it considers the change would materially adversely affect its business, or require MDL to incur additional capital or operating expenditure that may not be recoverable.

Gas Industry Co has agreed a memorandum of understanding (MOU) with MDL describing how its role will be performed. The MOU sets out a process under which Gas Industry Co receives a change request, calls for submissions, issues a draft recommendation, considers further submissions, and finally makes a recommendation to MDL. For further information (including a copy of the MOU) please refer to Gas Industry Co's website at www.gasindustry.co.nz.

Capitalised terms used in this recommendation have the same meaning given to those terms in the MPOC, unless stated otherwise.

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The process to date

2.1 The December Change Request

Overview

Gas Industry Co posted the December Change Request on its website on 21 December 2009 and invited submissions. Eight submissions were received.¹

The December Change Request relates mostly to balancing arrangements on the Maui Pipeline. In particular, it proposes replacing current balancing arrangements with a 'back-to-back' arrangement. The proposed arrangement aims to recover balancing costs from the pipeline users most responsible for those costs being incurred (the 'causers'). However, the December Change Request also included a range of subject matter only tenuously related to the main issue being considered.

Submissions on the December Change Request: suggested improvement

Many submissions advocated improvements to the December Change Request. However, Gas Industry Co's role in relation to MPOC changes is a limited one. Under the MOU, Gas Industry Co can consider the proposed change only as submitted, assessing it against the status quo. (This contrasts with Gas Industry Co's role under the Gas Act, which requires the consideration of all practicable options before making a recommendation to the Minister.) Therefore Gas Industry Co cannot reject a change request because it believes there might be a better alternative. In addition, we must treat change requests as a single change; that is, we must consider a change request as a whole—approval may be conditional only to the extent of correcting minor and technical errors.

Status update paper: March 2010

In March 2010, Gas Industry Co issued a 'status update'.² The update provided a summary of submissions on the December Change Request, considered issues related to processing the request, and sought feedback on these matters. Amongst other matters, the status update noted Gas Industry Co might find it difficult to approve the December Change Request, considering its wide scope.

¹ The December Change Request and submissions are available on Gas Industry Co's website: <http://www.gasindustry.co.nz/work-programme/mpoc-change-request-17-december-2009?tab=1780>

² The *Status Update* is available here: <http://www.gasindustry.co.nz/work-programme/mpoc-change-request-17-december-2009?tab=1780>

Minor and technical amendments to the December Change Request

Gas Industry Co asked MDL to offer a forum for more discussion of the December Change Request. MDL agreed and held a workshop on 1 April 2010. MDL subsequently made minor and technical amendments to the December Change Request. On 21 April 2010, MDL circulated an amended copy of the December Change Request.³

2.2 Draft Recommendation

On 7 May 2010, after having considered submissions on the December Change Request, Gas Industry Co published its Draft Recommendation in support of the proposed amendments.⁴ A brief summary of the analysis and conclusions of that paper is set out below.

Evaluation method

In the Draft Recommendation we noted that the wide scope of the December Change Request made it difficult to perform the overall analysis, and present it coherently. To make the evaluation more manageable, we divided the proposed amendments into two categories: those that relate to balancing and those that do not. We applied different criteria for evaluating the balancing-related and non-balancing-related changes. The balancing criteria were developed through Gas Industry Co's balancing workstream for the evaluation of balancing options; the criteria were consistent with the objectives of the Gas Act, but tailored to the context of balancing. The criteria for evaluating the non-balancing changes were based on the broader objectives of the Gas Act and the GPS.

Assessment of balancing changes

Overall, we assessed the proposed changes as improving balancing arrangements. However, we were concerned about the level of discretion left to MDL and its Balancing Operator. We were also concerned the proposal introduced back-to-back cash-out without introducing price caps or giving users the ability to hedge price risks (by the use of marginal pricing). We assessed the non-balancing aspects of the change request as improvements.

Assessment of the non-balancing changes

In relation to the non-balancing aspects of the change request, Gas Industry Co had no concerns about the changes related to the Maui legacy arrangements or the minor and technical changes. We assessed both against the Gas Act objectives as improvements.

However, we were concerned about some of the 'other' non-balancing changes, which could erode the benefit of the change request. For example, one proposed change means MDL no longer accepts liability for the consequences of shipping gas into the Vector system for Shippers who do not have Gas Transfer Agreements and Transmission Services Agreements with Vector. We were concerned the

³ The revised December Change Request is available here: <http://www.gasindustry.co.nz/work-programme/mpoc-change-request-17-december-2009?tab=1780>

⁴ The Draft Recommendation is available here: <http://www.gasindustry.co.nz/work-programme/mpoc-change-request-17-december-2009?tab=1780>

liability changes might reduce the incentives for MDL to work with Vector to ensure their regimes align.

Overall assessment

Overall, we considered the proposed changes would provide a net benefit, and therefore supported the December Change Request.

2.3 Submissions on the Draft Recommendation

Gas Industry Co received seven submissions on the December Change Request Draft Recommendation.⁵ Many submitters noted it would be more efficient if Vector Transmission Code (VTC) and MPOC changes were considered together. However, neither the MPOC nor the VTC provide for this. We considered that we were unable to reject a proposed change request for the MPOC because it was not 'packaged' with corresponding changes to the VTC.

While an MPOC change request is not required to be consistent with the VTC, we think their inter-relationship is a relevant factor when determining the overall benefit (or otherwise) of the December Change Request. Vector's submission highlighted that, without changes to the VTC, the realisation of the net benefits of the December Change Request is uncertain. Gas Industry Co considered it appropriate to make its own assessment of the likelihood of consequential changes to the VTC, and the risk of obtaining the benefits associated with the December Change Request. We might consider, for example, whether:

- Vector or any of its shippers would be motivated to propose a change to the VTC;
- Shippers and/or Vector would be likely to support the VTC change request; and
- Gas Industry Co is likely to approve the change request if the VTC appeal process was invoked.

2.4 Draft Final Recommendation

Gas Industry Co published a draft Final Recommendation on 2 July 2010.⁶ The draft Final Recommendation reversed the original decision and did not support the December Change Request. A brief summary of the analysis and conclusions of that paper is set out below.

Because the draft final recommendation was different from the Draft Recommendation, Gas Industry Co called for submissions (as required under the MOU). Six submissions were received.⁷ Sections 3 and 4 of this paper summarise those submissions and give Gas Industry Co's responses.

⁵ The submissions on the Draft Recommendation are available here: <http://www.gasindustry.co.nz/work-programme/mpoc-change-request-17-december-2009?tab=1780>

⁶ The draft Final Recommendation is available here: <http://www.gasindustry.co.nz/work-programme/mpoc-change-request-17-december-2009?tab=1780>

⁷ The submissions on the draft Final Recommendation are available here: <http://www.gasindustry.co.nz/work-programme/mpoc-change-request-17-december-2009?tab=1780>

Evaluation method

Several submitters on the Draft Recommendation were concerned about Gas Industry Co's evaluation method, which used quantitative scoring. In our draft Final Recommendation, we instead used qualitative evaluation and described our assessment in words. In addition, we applied the same evaluation criteria to the balancing and non-balancing changes.

Final evaluation of balancing and non-balancing changes

Table 2 in the draft Final Recommendation sets out Gas Industry Co's final assessments of the marginal benefits of the December Change Request (p23). It notes what factors we had not fully considered in the Draft Recommendation (that is, the factors that caused us to reassess the marginal benefits).

As predicted at the outset, the scope of the December Change Request made it difficult for Gas Industry Co to unconditionally approve the whole package. Having considered submissions on the Draft Recommendation, we remained of the view that some aspects of the December Change Request have the potential to significantly improve balancing arrangements. However, we were also concerned that some aspects may cause significant problems.

Among the significant improvements is the introduction of:

- a form of back-to-back cost allocation that could provide productive and allocative efficiency improvements; and
- new obligations to disclose information, audit Balancing Gas transactions, consult on Standard Operating Procedures (SOPs), and distinguish between operational and balancing gas, all of which improve transparency and non-discrimination.

Our concern arose mostly from changes to the balance of risk, particularly where the changes seem unnecessary to provide for the improvements proposed. We were also concerned about the misalignment of the MPOC and VTC that would arise from the proposed changes.

Overall assessment

Gas Industry Co recognised the December Change Request has the *potential* to result in an overall net benefit. However, the uncertainty as to whether those benefits would be achieved (without corresponding changes to the VTC) in our view reduced the value of the December Change Request. Gas Industry Co's concerns were compounded by the complexity and broad nature of the changes proposed. While the assessment of the net benefit of the December Change Request was finely balanced, we concluded the overall net benefit is too uncertain for Gas Industry Co to support the December Change Request.

3

Submissions on draft Final Recommendation

3.1 Submissions received

Gas Industry Co received six submissions on the draft Final Recommendation.⁸ Submissions were received from:

- Contact Energy Limited (Contact);
- Genesis Energy Limited (Genesis);
- Greymouth Gas New Zealand Limited (Greymouth);
- Maui Development Limited (MDL);
- Mighty River Power Limited (MRP); and
- Vector Limited (Vector).

Only MDL disagrees with the conclusion that the December Change Request should not be supported. Nova, who supported the change request in its submission on the Draft Recommendation, did not make a submission on this occasion.

In this section we summarise the five submissions that agreed with Gas Industry Co's conclusion not to support the December Change Request. We also provide our response where appropriate. In section 4 we list MDL's concerns with the draft Final Recommendation and respond in detail.

3.2 Contact

Contact's submission

Contact agrees with Gas Industry Co's recommendation. It comments that the requirement for Gas Industry Co to 'support' or 'not support' the whole of a change request means that Gas Industry Co is unlikely to support change requests with a wide scope.

⁸ The submissions on the draft Final Recommendation are available here: <http://www.gasindustry.co.nz/work-programme/mpoc-change-request-17-december-2009?tab=1780>

Contact concurs with Gas Industry Co that some aspects of the December Change Request improve on the status quo; and some aspects move risk from MDL. Contact considers it inappropriate for changes to move risk between parties regardless of the size of the risk. Overall, the detriments of the December Change Request outweigh the benefits.

Contact also believes a suite of new change requests that are limited in scope, could build on the work already achieved. Limiting the scope of change requests means they are more likely to be accepted.

Gas Industry Co response

Gas Industry Co appreciates Contact's general support of our decision. However we disagree on one small point. We do not consider that any shift in risk would automatically veto a change request. Rather we consider changes to risk should be assessed alongside other matters such as changes to rights and obligations, and the objectives of the Gas Act and GPS.

3.3 Genesis

Genesis' submission

Genesis agrees with Gas Industry Co's recommendation. It comments that it prefers Gas Industry Co's qualitative approach to assessing benefits.

Genesis believes the decision will help focus future change requests. It recommends Gas Industry Co amends the MPOC or MOU to require change requests to focus on one issue, or closely related issues.

Gas Industry Co response

Gas Industry Co appreciates Genesis' general support of our decision. We note, however, that we are unable to unilaterally amend the MPOC (including the MOU). We remain open to the debate on the advantages and disadvantages of limiting the scope of changes requests (Vector, for example, disagrees with limiting the scope of change requests—see section 3.6).

3.4 Greymouth

Greymouth's submission

Greymouth agrees with Gas Industry Co's recommendation.

Greymouth is opposed to any change that makes tolerances small, or removes them. It believes matters related to tolerances are central to Gas Industry Co's role. Gas Industry Co should undertake a study to determine the optimal level and efficient allocation of tolerances.

Gas Industry Co response

Gas Industry Co appreciates Greymouth's general support of our decision.

We remain of the view that some level of tolerances can be efficient although we do not consider tolerances the primary issue. The key is to make inherent line pack flexibility available to the Balancing Operator for the benefit of all. We are unconvinced we need to regulate the level of tolerances at this time.

3.5 MRP

MRP's submission

MRP agrees with Gas Industry Co's recommendation. It commends Gas Industry Co on being prepared to reconsider its draft recommendation.

Gas Industry Co response

Gas Industry Co appreciates MRP's general support of our decision.

3.6 Vector

Vector agrees with Gas Industry Co's recommendation. However, Vector claims Gas Industry Co has not sufficiently considered the December Change Request. Vector considers the December Change Request:

- codifies the actions of the Balancing Operator, yet the only obligation on MDL is to instruct the Balancing Operator to act as a reasonable and prudent operator, and to use reasonable endeavours to follow procedures;
- leaves parties damaged by Balancing Operator actions unable to claim against the Balancing Operator;
- codifies current practice in many areas, so there is no benefit over the status quo;
- will have a negative effect on allocative efficiency if corresponding changes to the VTC are not made;
- does not provide for linked nominations;
- does not ensure MDL is responsible for its imbalance;
- removes tolerance without committing to a level of line pack flexibility;
- could create significant OATIS costs;
- would make the regime inherently unstable;
- provides little new information compared with the status quo; and
- creates a detriment by introducing 'pay now, dispute later'.

Vector also believes back-to-back balancing must be introduced with a package of measures; implementing it in isolation would cause problems in the regime.

Vector considers the MOU should not be amended to restrict the scope of change requests because scope would become a cause of dispute. It believes the December Change Request is further evidence that an industry contractual process, in which one party is focused on its desired outcomes rather than an outcome to benefit the industry as a whole, is unlikely to be successful. A party focused on its own commercial interests is unlikely to work towards benefitting the industry as a whole. Vector believes that co-ordinating MPOC and VTC changes is a more efficient way of making sustainable changes.

Gas Industry Co response

Gas Industry Co notes Vector agrees with our decision. Vector considers the December Change Request should be viewed more negatively than is reflected in our assessment. We considered all the matters raised in this submission during our analysis and believe we have considered them fairly.

We have noted the view on the scope of change requests.

4

Response to MDL concerns

MDL is disappointed Gas Industry Co changed its recommendation and requests it to revert. MDL sets out several concerns in its submission. We note these concerns below along with Gas Industry Co's responses. The references in brackets are to headings and page numbers in MDL's submission.

4.1 Introductory comments

(A. Introduction, p2)

MDL conduct

MDL feels Gas Industry Co's analysis suggests MDL could behave badly, yet MDL's actions are contrary to that belief.

Gas Industry Co response

As noted in consultation papers on balancing, Gas Industry Co has commended MDL for its efforts to improve balance arrangements. Our concern is to ensure those improvements endure. In that context, we believe it appropriate to analyse a change request against a range of assumptions about future behaviour.

MDL's operation of the Maui pipeline

MDL believes it deserves more credit for the level of responsibility it accepts for the operation of the Maui pipeline. It provides an example of the responsibilities it would reject if the proposed 'participative regulation' were introduced.

Gas Industry Co response

Gas Industry Co notes our analysis is guided by our role as set out in the MOU. Our role under the change process is to analyse whether Gas Act requirements are better met by the December Change Request or the status quo. We have not taken (and cannot take) a regulated alternative into account.

Gas Industry Co consideration of objections

MDL comments that if all objections are given equal weight, no change would ever occur.

Gas Industry Co response

We believe a thorough and rigorous analysis requires us to consider each objection and come to a view on its significance relative to the change request as a whole. Therefore changes with net benefit could occur.

4.2 The significance of Operational Balancing Agreements

MDL concern

(C. Principles behind MDL's views, C.2. The significance of OBA, p5)

MDL believes operational balancing agreements (OBAs) are in line with international best practice. The existence of OBAs means Gas Industry Co does not have to '...treat both systems as a whole'.

Gas Industry Co response

In our view the existence of OBAs does not mean the analysis of an MPOC change must be limited to its effects on the operation of the Maui pipeline in isolation. All interconnected parties and users have an interest in the terms of the MPOC for operation of their businesses, including Vector for the operation of its transmission business. We think that when considering changes to the terms of a contract it is relevant to consider the interests of the parties who rely on those terms. These interests are considered with other relevant matters such as industry best practice and the overriding objectives of the Gas Act and GPS.

4.3 Residual balancing

MDL concern

(C. Principles behind MDL's views, C.3. Residual Balancing, p5)

The European Regulators' Group for Electricity and Gas (ERGEG) promotes the principle that users have the primary obligation to balance. Gas Industry Co appears to have a different view.

Gas Industry Co response

We think the quoted ERGEG principle and Gas Industry Co's view and analysis are consistent. Gas Industry Co affirmed our adherence to ERGEG principles in consultation papers on the balancing workstream. We note the MPOC, VTC, and draft Balancing Rules all reflect that position by including an obligation on users to balance. However, we believe that expecting users to self-balance at all times and at any cost, is unreasonable.

4.4 The analytical framework

MDL concern

(D. The Analytical Framework, p6)

Gas Industry Co's framework is:

- MPOC and VTC codes and operations should be mutually dependent;
- interrelation of MPOC and VTC is relevant;
- benefits accrued in one regime must be achieved in the other;
- net benefits depend in part on VTC arrangements; and
- mis-allocation of costs downstream of Maui pipeline are relevant.

Gas Industry Co response

We note that any change in a contract's terms will affect parties' rights and obligations. It may also have consequential effects where parties are relying on those terms. Therefore, our change request framework is to assess the merit of the proposed change against the status quo, with reference to the objectives of the Gas Act and GPS, and considering submissions from parties relying on the contract terms. Table 2 of the Draft Recommendation sets out the evaluation criteria for the December Change Request. Mutual dependence of the MPOC and VTC was not a critical criterion for supporting the change request; however, if a change were to improve the interoperability of the codes, that would clearly be beneficial. Therefore, we think the interrelation of the MPOC and VTC is a relevant consideration.

Gas Industry Co assessed the probability of achieving benefits (and dis-benefits). Where VTC arrangements were likely to prevent a benefit from an MPOC change being realised, we assessed the likelihood of the VTC arrangements changing. So the overall assessment did reflect the extent to which the codes worked together to allow benefits to be realised.

MDL concern

(D. The Analytical Framework, p8)

Gas Industry Co:

- does not give sufficient weight to existing contractual relationships and overriding property rights;
- creates the opportunity for an industry participant not party to the MPOC to veto changes;
- creates the opportunity for Vector to avoid its obligations as a TP Welded Party;
- gives relevance to matters that are beyond the control of MDL and of the Maui users; and
- implies the Balancing Agent/Operator has a duty to balance Vector users.

Gas Industry Co's decision not to support the December Change Request:

- will make MDL less likely to invest in its pipeline, allow inter-connection, or build new pipelines; and
- restricts the autonomy of pipeline users, because they have to plan for the effects under other pipeline codes.

Gas Industry Co response

We do not see how property rights have been overridden or contractual rights not considered. The MPOC has several parties relying on its terms (including Vector and MDL), including the change control process. We consider we have fulfilled our contractual role under the MPOC change process with due care and professionalism. Sometimes we will not support change requests and at other times we will, but we are required to make our recommendation only after careful consideration of the relevant factors. In this case we did not consider Vector to have a right of veto; but Vector has a material interest to be considered. We also considered whether the potential benefits relevant to the objectives of the Gas Act and GPS would be achieved in practice.

4.5 Public and private benefit

MDL concern

(E. Public and private benefit, p9)

Gas Industry Co has taken account of purely private issues, such as Vector's risks under its VTC.

Gas Industry Co response

In our view, private interests in a contract must be relevant matters. The various parties to the contract rely on the terms in different ways to run their businesses.

We note MDL agreed to the MPOC, which includes provisions relating to Vector interests (including its regime design), MDL interests, and a change control process. Gas Industry Co believes it relevant to consider the effect of a proposed change on all parties to the MPOC. We think the effect of such changes on persons who are not parties to the MPOC may also be a relevant consideration.

4.6 The obligation to trend ROI towards zero

MDL concern

(F. Further comments on the Gas Industry Co analysis, F.1. The obligation to trend ROI towards zero, p9)

The obligation to self-balance is clear and users have a day to self-balance. The real issue is a Shipper's failure to order gas. This issue cannot be inflated to a security of supply issue.

Gas Industry Co response

The current, and proposed, obligation on users is to use reasonable endeavours to self-balance.

We consider the core issue is that users cannot know their balance position '... at all times', rather than their inability to order gas. We also consider an efficient outcome would be to provide appropriate price incentives to invest in information allowing users to self-balance.

4.7 The prohibition on profiting (or losing) from balancing actions

MDL concern

(F. Further comments on the Gas Industry Co analysis, F.2. The prohibition on profiting (or losing) from balancing actions, p10)

The December Change Request seeks to remove the provision preventing MDL from making a profit or loss. The removal of this provision should not be a concern, because the proposed arrangements mean MDL cannot make a profit. Also, the provision does not reflect current practice, because MDL can make a loss.

Gas Industry Co response

We accept MDL's view, but suggest that if the proposal does not allow MDL to make a profit, leaving that part of the provision in place is harmless.

4.8 MDL's right to amend its SOP

MDL concern

(F. Further comments on the Gas Industry Co analysis, F.3. MDL retaining the right to amend its SOP, p10)

MDL wants control in areas where it has responsibility and liability. It accepts consultation on SOPs but thinks it must have discretion to make changes to SOPs.

MDL has no intention of narrowing the balancing thresholds. Therefore the concern over the right to change thresholds should not be taken into account.

Gas Industry Co response

MDL can change SOPs under current arrangements. Therefore, Gas Industry Co did not consider this aspect of the proposed change to be materially detrimental to the status quo.

We accept that, at the moment, MDL does not intend to narrow the balancing thresholds; but we consider it a possible concern for the future. We think, however, that removing tolerances would reduce the incentives to provide line pack flexibility and without a corresponding commitment may be detrimental in time.

4.9 Effect of tolerances on line pack flexibility

MDL concern

(F. Further comments on the Gas Industry Co analysis, F.4. Effect of Tolerances on line pack flexibility, p11)

Gas Industry Co has stated that removing tolerances would provide an incentive for MDL to provide line pack flexibility. MDL is happy to distinguish operational gas from balancing gas and will change the SOP to provide more information about how this will be done.

Gas Industry Co response

We think this concern is a mis-reading of our recommendation. Gas Industry Co's stated view is: '*... we do consider the current tolerances provide an incentive for MDL to provide a certain level of Line Pack flexibility to the Balancing Operator*' (p14 of draft Final Recommendation). However, this was a minor consideration in our overall assessment.

We noted the move to distinguish operational gas from balancing gas and considered this as a beneficial component of the change request.

4.10 The Incentives Pool mechanism and linked nominations

MDL concern

(F. Further comments on the Gas Industry Co analysis, F.5. The Incentives Pool mechanism and linked nominations, p11)

Gas Industry Co misunderstands how the change request proposed using the incentives pool mechanism. MDL does not understand why Gas Industry Co considers that linked nominations are relevant.

Gas Industry Co response

This is a minor point in Gas Industry Co's overall evaluation. We intended only to point out that linked nominations would assist in allowing costs to be passed through to causers. We fully understand that, from MDL's perspective, Vector is the causer and that should be MDL's only interest in the matter. We evaluated the change request against the status quo, not against possible options that were not proposed. However, Gas Industry Co is concerned with the wider efficiency implications of a change request and has commented on wider issues where relevant.

4.11 Vector and Vector customers' access to balancing gas

MDL concern

(F. Further comments on the Gas Industry Co analysis, F.6. Vector and Vector customers' access to balancing gas, p12)

MDL disagrees it should be offering Vector users participation in the balancing market. MDL cites the lack of response it received to a letter it sent to users setting out the terms of participation in the market.

MDL disagrees that removing Vector balancing gas rights is closing off an option for Vector to transport balancing gas. MDL considers Vector should use intra-day cycles to transport balancing gas.

Gas Industry Co response

In our recommendation, we commented on changes that would, in our view, produce better outcomes. However, Gas Industry Co did not assess the change request against what could have been included. Gas Industry Co has considered MDL's assessment that Vector should use intra-day cycles in the evaluation, as we have considered other parties' views.

5

Final recommendation

Gas Industry Co has carefully assessed the submissions on the draft Final Recommendation. We consider they contain no material that would cause us to change the draft Final Recommendation. We therefore confirm we do not support the December Change Request.