



Information Disclosure Regulation Electricity Lines Services and Gas Pipeline Services: Submission to Commerce Commission on Process and Issues

Background

MDL appreciates the opportunity to comment on the Commerce Commission's Process and Issues paper on Information Disclosure Regulation for Electricity Lines Services and Gas Pipeline Services.

This paper concentrates on issues that MDL wishes to draw to the Commission's attention at an early stage in its deliberations.

Timing and Schedule

MDL notes that there is still uncertainty about the disclosure dates that will apply to gas pipeline services although the Commission intends to have the same date for all gas pipeline services. This matter is scheduled for consultation as part of the April 2011 discussion paper on the DPP and MDL hopes that it can be resolved in a relatively short time afterwards as this will assist MDL's internal planning.

Other than this point MDL has no comment on the schedule presented.

Related Party Transactions

The Maui pipeline is also used by the three companies that make up the Maui Joint Venture. As a consequence, the Maui Pipeline Operating Code already has provisions that govern:

- A requirement for arms length dealings for all transmission services.
- Confidentiality and ring-fencing of information, plus audits of these processes.
- Standard contracts for Shippers and Welded Parties, with all special conditions being published.
- The same tariffs for all pipeline users.
- Publication of all instructions from the pipeline owners to the Commercial Operator.

MDL would be concerned if there was a requirement to set up a separate reporting regime that dealt with these matters as it would involve an unnecessary duplication. It believes its existing procedures in these areas should meet the Commission's requirements and that the Information Disclosure regime adopted should be sufficiently flexible to take into account circumstances where the information required is already publicly available.



Contract Disclosures

Similarly, MDL already publicly discloses its standard contracts, any variations negotiated from them, its tariffs and its charges. MDL believes the information already provided should be sufficient for the Commission's purposes and its current disclosures should be taken into account when Information Disclosure provisions are drafted so as to avoid unnecessary duplication of effort.

We are happy to discuss these points further if required.

D. F. Gray
General Manager
Maui Pipeline Commercial Operator.