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Default price-quality paths for gas pipeline businesses technical consultation paper

1. This is Vector's submission to the Commerce Commission's (the Commission's) *Default Price-Quality Paths for Gas Pipeline Businesses from 1 October 2017 to 30 September 2022 Technical Consultation* (Technical Consultation). The Technical Consultation covers proposed changes to the Default Price Path Determinations for gas distribution businesses (GDB) and gas transmission businesses (GTB). Our submission focuses on the GDB Determination given Vector's ownership of a GDB in the Auckland region.
2. Vector has reviewed the proposed changes in the Technical Consultation to the GDB Determination. We are broadly comfortable with the changes. The most substantive change for the GDB Determination is in Schedule 6 for the 'recalculation of the price path following a Transfer'. We support the proposed approach in Schedule 6 for determining the "on-foot" price path following a merger or acquisition event. The proposed changes appear to reflect learnings from the Vector/FGL transaction for Vector's non-Auckland GDB. The flexibility in the new proposed Schedule 6 should enable the Commission to deal with any future transactions in the sector.
3. If you have any further questions in relation to this submission, please contact me at Richard.Sharp@vector.co.nz or on 021 790 864.

Regards

For and behalf of Vector Limited



Richard Sharp
Head of Regulatory and Pricing