

By email

20 June 2016

Richard Sharp
Head of Regulatory
Vector Limited
101 Carlton Gore Road
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Dear Richard

Vector Gas Distribution Asset Management Plan extension request response

1. In your phone call of 15 June 2016 you requested the Commission to grant Vector Limited (Vector) Gas Distribution Business (GDB) an extension to the time by which Vector is required to publicly disclose its Asset Management Plan (AMP) for the AMP planning period 1 July 2016 – 30 June 2026 (2016 AMP).
2. You have requested that Vector be exempted from the requirement at clause 2.6.1 of the Gas Distribution Information Disclosure Determination 2012 - (consolidated in 2015)(GDB ID Determination) to complete and publicly disclose the 2016 AMP and related schedules before the start of the disclosure year (1 July 2016).
3. For clarity, this request covers the information required to be contained within the 2016 AMP as expressed within clauses 2.6.1 (1), 2.6.1 (2) and the separate disclosure of schedules as required by clause 2.6.6 of the GDB ID Determination.
4. Vector seeks an extension of time to complete and publicly disclose the 2016 AMP and related schedules by 1 September 2016.
5. You have stated that the reason for the extension is to allow a sufficient level of managerial, executive and board level review and challenge of the information contained within the 2016 AMP. You have stated that the complexity of the review and challenge being undertaken this year is greater than in prior years due to the recent sale of the Non-Auckland GDB network to First Gas Holdings Limited. This increased level of review, and operational constraints with Vector staff assisting First Gas Limited to prepare their first AMP has resulted in Vector being unable to meet the disclosure date required by the GDB ID Determination.

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6. The Commission has decided to grant Vector an exemption from the requirement to complete and publicly disclose the 2016 AMP and related schedules before 1 July 2016 as required by clause 2.6.1 and 2.6.6 of the GDB ID Determination. Instead Vector is required to complete and publicly disclose the AMP and related schedules before 1 September 2016.
7. The Commission recognises the importance of managerial, executive and board level review of the AMP in all years, but notes the particular importance in this disclosure year given the potential for impact on the First Gas Limited GDB AMP disclosure. The Commission also currently intends that information provided by Vector and First Gas Limited as part of the 2016 AMP disclosures will inform the GDB default price-quality path reset and so expects this to have been subject to an appropriate level of review.
8. This exemption is issued under the exemption provisions in clause 2.11.1(1) of the GDB ID Determination and is subject to clause 2.11.1(2).
9. If you have any questions regarding the matters addressed above, please contact Simon Wakefield on 04 924 3794.

Yours sincerely



Sue Begg
Deputy Chair