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Mr. Dane Gunnell
Senior Analyst
Regulation Branch
Commerce Commission
PO Box 2351
Wellington 6140

Dear Dane,

Please regard this letter as our submission to the Commerce Commission ("the Commission") on the "Draft amendments to input methodologies for Transpower 2014 (No.2)" dated 23 October 2014. In this letter we will use the terms "MDL", "we", "us" or "our" to refer to the Gas Transmission Business (GTB) of Maui Development Limited.

Because we are not involved with the electricity sector or with Transpower we will mostly refrain from specific comments on these draft amendments. We are making this submission, however, because at an overall level we welcome and support the proposed amendments to provide greater flexibility in the Commission's use of capex allowances.

We note the motivation for these amendments is to accommodate base capex projects:

- that have an anticipated project cost of greater than \$20 million;
- that are reasonably required by Transpower, with at least one (or more) assets likely to be commissioned during RCP2;
- for which a commencement date within RCP2 cannot be forecast with specificity; and
- that are not already accommodated in the base capex allowance.

The difficulties of dealing with such projects are very recognisable to us. Such projects can be a normal feature for any transmission business; in electricity as well as in the gas sector.

Accordingly, we support Transpower's previously submitted statement that the estimation uncertainty associated with large reconductoring projects is not a transitional issue (i.e., not isolated to RCP2). While we have no specific knowledge of reconductoring, we do know that the timing of any large transmission infrastructure related project, particularly one that may involve resource consents or land access issues, is difficult to forecast with specificity. This is indeed not a transitional issue, but a normal and recurring situation for transmission projects.

We support the proposed amendments for Transpower on that basis. We would also welcome consideration of similar amendments, adjusted for use within a DPP regime, for the similar issues in the gas transmission sector when the Commission starts developing its views for the next regulatory reset for GTBs.

We have appreciated the opportunity to provide this submission. For any additional questions or clarifications please do not hesitate to contact us.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Jelle Sjoerdsma".

Jelle Sjoerdsma
Commercial Operator, Maui Pipeline
for Maui Development Limited