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Ms. Keston Ruxton  
Manager, Input Methodologies Review  
Regulation Branch  
Commerce Commission  
PO Box 2351  
Wellington 6140

Dear Keston,

This letter contains our comments on the "Emerging views on form of control" paper dated 29 February 2016 for the Input Methodologies review. 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. Our comments are limited to emerging views that affect the gas transmission sector.

Our main feedback is that we strongly support the Commission's emerging view to maintain a revenue cap for GTBs but to move to a 'pure' revenue cap allowing for wash ups of over and under recovery. We greatly appreciate the Commission's understanding of the issues that lead to this view.

We also note that we support the removal from the Input Methodologies of the choice of form of control for GTBs. After completion of the planned acquisitions of the Maui and Vector pipelines by Colonial First State Global Asset Management (subject to approval from the Overseas Investment Office) there will be only one supplier of gas transmission services. Accordingly, we expect there should be only one future price-quality path for gas transmission and a choice between different forms of control for GTBs should no longer be necessary.

With respect to the Commission's criteria for comparing options we can mention that "incentives for connections" are probably not relevant for gas transmission. The Maui and Vector transmission pipelines are both subject to an open access regime. The Gas Industry Co has an Interconnection work programme and has established Interconnection Guidelines for gas transmission pipelines which are already actively monitored by GIC.

Finally, we fully support the Commission's emerging view that there is insufficient empirical evidence to make an adjustment to asset beta for form of control.

We have appreciated the opportunity to provide these comments. 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**