



**Submission to the Gas Industry Company
on the Amended FY2010 Levy: March 2009**

From

Contact Energy Limited

13 March 2009

Introduction

Contact Energy Limited (“Contact”) welcomes the opportunity to provide feedback to the Gas Industry Company Limited (“GIC”) on the “Amended FY2010 Levy for Gas Industry Co” consultation paper.

General Comments

Contact appreciates the effort put in by the GIC to review the FY2010 Levy at such short notice. We are equally appreciative of the significant reduction which the GIC has made to the Levy. The work that the GIC does is invaluable to Contact and to the wider gas industry. We look forward to maintaining a strong working relationship with the GIC into the future.

For any questions related to this submission, please contact:

Jan de Bruin

Senior Regulatory Affairs Analyst

Contact Energy Limited

L 1 Harbour City Tower

29 Brandon Street

PO Box 10742

Wellington

Email: jan.debruin@contact-energy.co.nz

Phone: (04) 462 1143

Fax: (04) 499 4003

QUESTION	COMMENT
Q 1: Do you consider we have correctly identified the policy priorities for FY2010?	Contact agrees that Pipeline Balancing and compliance with gas governance arrangements should be a high priority area for the 2010 year. We also believe that Interconnect issues are of importance. Contact would like more emphasis placed on the determination of code change requests. Code change requests should provide an efficient means of achieving incremental improvement.
Q2: Do you agree that it is necessary for the FY2010 annual levy to fund the roles under the approved gas governance arrangements?	Contact agrees that the levy should fund the roles outlined in the paper for compliance with gas governance arrangements. To not do so would devalue the work put into these arrangements.
Q3: Do you agree we need to review the effectiveness of rule changes and make changes to those rules where appropriate?	The review of the effectiveness of the new arrangements is an important part of developing the gas industry given that most of these arrangements are at the immature/early lifecycle stage.
Q4: Do you agree the industry facilitative roles are valuable and that it is appropriate to budget for, and use, levy funds in this manner?	Contact believes that the GIC does have an important role in the facilitation and development of the gas industry. Without the GIC's facilitation many issues that have arisen would still be unresolved. There will always be a tension between consultation, timely decisions, costs, benefits, individual party drivers and industry drivers. With its knowledge of the gas industry and interest in the overall health of the gas industry the GIC should be able play an effective facilitation role.
Q5: Do you support the annual levy funding requirement for FY2010?	Contact supports the annual levy funding requirement and appreciates the efforts the GIC has made to reassess costs and workload commitments.
Q6: Do you support the proposed annual levy for FY2010?	Yes, as per the above.