



13 March 2009

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Dear Peter,

### **AMENDED FY2010 LEVY FOR THE GAS INDUSTRY CO**

1. Thank you for the opportunity to comment on the Gas Industry Company's (GIC's) consultation paper "*Amended FY2010 Levy for Gas Industry Co*" dated 2 March 2009. No part of our submission is confidential and we are happy for it to be publicly released.
2. Mighty River Power supports the proposed levy rates for FY2010, both in terms of the budget and the way it is proposed to be allocated. We believe the proposed levy rates for FY2010 reflect a cautious approach to the GIC's expenditure needs, and the uncertainty around what the new Government's priorities and expectations will be.
3. We doubt it would be wise, in terms of ensuring effectiveness of the GIC, for the budget to be reduced further. We consider the budget to be reasonably modest. When compared to other regulatory agencies, particularly the Electricity Commission, it shows how cost-effective the GIC is.
4. The GIC has requested feedback on the GIC's priorities. Our views have not changed from the last round of consultation. We also support the GIC's intention to have discussions with the Minister of Energy over his priorities.
5. Finally, we reiterate our support for recovery of market fees by way of volumetric fees, rather than on a per ICP basis.
6. If you would like to discuss this matter directly with Mighty River Power, please do not hesitate to contact me (on 09 308 8259 or [robert.allen@mightyriver.co.nz](mailto:robert.allen@mightyriver.co.nz)).

Yours faithfully

Robert Allen  
**Regulatory Manager**