

18 December 2017

Steve Bielby  
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Dear Steve

### **Independent cost-benefit analysis of the Draft GTAC**

It was good to catch up with you recently on various gas industry matters, including the ongoing development of the new, single gas transmission access code (GTAC). We appreciate the active engagement of the Gas Industry Company (GIC), First Gas, and other industry participants in this complex process.

Vector's gas trading business remains committed to a non-regulated access arrangement for gas transmission services, and to a GTAC commencement date of 1 October 2018.

You may be aware that the issue of whether the Draft GTAC is "materially better" than existing code arrangements was given publicity by *Energy News* through an article dated 13 December 2017 and entitled *GTAC materially better than existing codes - Sapere*. We consider the conduct of this debate through the media while a submission process on the same issue is ongoing to be problematic. Publicly highlighting the view of a particular party (or parties) over those of others in the industry could pre-empt the GIC's assessment of the Draft GTAC.

In the interest of fairness, we suggest that the GIC commission an independent cost-benefit analysis to inform its assessment of the Draft GTAC, and for the entire industry's benefit. We consider this request to be reasonable and consistent with good regulatory practice. We do not believe it would unduly delay the proposed commencement date of the GTAC.

We trust that you and your team will give our request your utmost consideration. Please contact me if you wish to discuss at 09 978 7547 or [Richard.Sharp@vector.co.nz](mailto:Richard.Sharp@vector.co.nz).

Yours sincerely

A handwritten signature in blue ink, appearing to read "Richard Sharp".

**Richard Sharp**  
Head of Regulatory and Pricing

cc: Ian Dempster, General Manager - Operations, GIC  
Ian Wilson, Senior Technical Adviser, GIC