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Ian Dempster
Gas Industry Company
2 Hunter Street
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Submitted online: via Gas Industry Company website

Dear Ian

Support revised guidelines – but regulatory change still necessary

Genesis Power Limited, trading as Genesis Energy, welcomes the opportunity to provide a submission to the Gas Industry Company (“the GIC”) on the “Proposed Revised Guidelines for Essential Service Providers and Minimal Load Users” dated 2 August 2012.

Guidelines provide good first step - but regulatory change still necessary

We support the revised guidelines. The guidelines provide a good practical first step to assisting retailers and customers to better understand the purpose of Essential Service Provider (“ESP”) designations.

However, we consider that wider changes to the Gas Governance (Critical Contingency Management) Regulations 2008 (‘CCM regulations’) are still necessary to develop a more robust ESP process going forward. We encourage the GIC to focus its current review of the regulations on this objective.

Support shifting the function for approving ESP designations to an independent body

We consider that enabling a single decision making body to grant these designations would be the most effective way to ensure a consistent approach is applied across all consumers. Shifting this function away from retailers will

remove the potential and the incentives for the regulations to be broadly interpreted. This may also remove the need for guidelines in the long term.

Support placing a requirement on ESPs to provide information on minimal level of gas required to maintain the essential components of their service

The guidelines have been revised to make it clearer that only the gas supply required to provide the essential service should be protected by the ESP designation. We support this approach.

However, we consider that the CCM regulations may need to be amended in order for this to be legally enforceable and effective. As noted in the Concept Consulting review, the current regulations do not require ESPs to provide information on how much gas they require to maintain the essential elements of their service. Without this information, it would be difficult to enforce compliance with this condition.

If you would like to discuss any of these matters further, please contact me on 04 495 6357.

Yours sincerely



Lizzie Wesley-Smith
Regulatory Affairs Advisor