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A *Responsible Care*® Company

21 December 2012

Ian Dempster
Gas Industry Co
Level 8 Todd Building
95 Customhouse Quay
PO Box 10-646
Wellington
New Zealand

Dear Ian,

Amendments to the Gas Governance (Critical Contingency Management) Regulations 2008

Thank you for the opportunity to provide comments on the Statement of Proposal - amendments to the Gas Governance (Critical Contingency Management) Regulations 2008.

Attached are our comments on the specific questions for submission including general commentary on some of the key principles addressed in the attached document.

Curtailement Bands

The fastest and most efficient way to stabilise the transmission system is to direct curtailment in order of customer size. To direct curtailment according to economic value only complicates the critical contingency process.

Essential Service Provider related issues

Currently Band 5 is too large and needs to be tightened. The objective of managing a critical contingency is to ensure where possible, gas is available to those users that have a truly essential need for gas, rather than according to the broader context of an essential service in respect to a Civil Defence Emergency. The overriding requirement is the protection of people and the environment.

Minimal Load Consumer related matters

We agree with broadening the MLC criteria, however further consideration needs to be given as to whether setting the threshold at 2 TJ/year will impact the ability of the CCO to perform its core functions during a Critical Contingency.

Our comprehensive responses to the questions in the Statement of Proposal are set out in the attached Appendix. If you have further inquiries please make contact with Louise Corlett (06 754 9710) or Matthew Gardner (09 356 9296).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'L Corlett', written in a cursive style.

Louise Corlett
Business Analyst