



26 October 2011

Pamela Caird  
Senior Advisor  
Gas Industry Company Limited  
PO Box 10646  
Wellington 6143

Dear Pamela,

**NZX's submission on Papakura 3 gas gate**

The following is NZX's submission on the Gas Industry Company's (GIC) consultation on the Papakura 3 gas gate, dated the 20 October 2011.

We support the Gas Industry Company's preferred option of including the new gas gate within the Greater Auckland gas gate group. This would appear to be the most efficient option from the perspective of both the allocation agent and participants.

Regardless of which option is finally selected, we would prefer that any changes made are retrospective from the 1 September 2011. Changing over to a new gas gate part way through the month would be potentially disruptive and inefficient given that:

- The allocation agent would need to invalidate some September 2011 initial submissions for the decommissioned Papakura 3 gas gate; and,
- Retailers would need to make part monthly interim submissions for the decommissioned Papakura 3 gas gate and new gas gate.

We note that back dating changes to the 1 September would have the following implications for the September 2011 interim allocation:

- Participants that were trading at the Papakura 3 gas gate would need to provide zeroed-out submissions for the whole month of September 2011. Gas traded at the Papakura 3 gas gate during September would need to be re-submitted at the new gas gate.
- Participants would need to up date trading notifications, ceasing trading at the Papakura 3 gas gate on the 30 September and commencing trading at the new gas gate on the 1 September.

Finally, we note that the allocation agent will need to know the preferred arrangement for the new gas gate in time for the October initial allocation, commencing on the 4 November 2011.

Yours sincerely,

Steve Torrens  
Senior Energy Analyst