

- 5 APR 2006



31 March 2006

Paul Mitchell
Senior Advisor – Retail & Distribution
Gas Industry Company Limited
P O Box 10-646
WELLINGTON

Dear Paul

Cost Benefit Analysis of Options for Switching Arrangements

Contact agrees with the methodology applied by CRA International.

It is noted they have had to rely on limited information provided by participants, nevertheless where necessary they appear to have made reasonable assumptions and comparisons with the electricity industry to validate their assumptions

Paragraph 2.3 implies that work has commenced on enhancing the switching arrangements section in the Reconciliation Code, however Contact understands the only work on enhancing the Reconciliation Code is in relation to the allocation and reconciliation arrangements as a possible short term interim option to address a range of issues ahead of a longer term regulated solution.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Rod Crone', written over a faint circular stamp or watermark.

Rod Crone
Manager Networks & Reconciliation