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24 May 2012

Ian Wilson

95 Customhouse Quay

Gas Industry Company

WELLINGTON

Dear Ian

Agree with GIC's recommendation not to support the VTC change request appeal

Genesis Power Limited, trading as Genesis Energy, welcomes the opportunity to provide a submission to the Gas Industry Company ("the GIC") on its draft recommendation paper "14 December 2011 VTC Change Request Appeal" dated 4 May 2012. We agree with the GIC's recommendation not to support the VTC change request appeal.

We consider that the paper presents a good analysis of the proposed changes and the likely effects of these for the industry. In particular, we appreciate the paper's consideration of the concerns that we raised (along with other submitters) on the proposal to re-allocate the unpaid balancing charges of insolvent shippers.¹ We agree with the GIC's view that this proposal would not encourage efficient risk management.

We agree that the GIC's decision on the proposal must be made on the basis of the change request in its entirety. In our view this emphasises the need for participants to give greater consideration to the breadth of changes they seek to progress within a single change request. We consider that this is necessary to ensure a more constructive and effective use of the change request process going forward.

¹ Genesis Energy submission on vector transmission code: appeal to allow invoicing change request dated 15 March 2012

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

Yours sincerely



Lizzie Wesley-Smith
Regulatory Advisor.