



GREYMOUTH GAS

28 November 2014

Pamela Caird
Gas Industry Company Limited
By email

Dear Pamela,

RE: Draft Decision Paper – Framework for Gas Retailer Insolvency Arrangements

Greymouth Gas New Zealand Limited ("Greymouth Gas") is pleased to make this submission on the Gas Industry Company Limited's ("GIC") 15 October 2014 Draft Decision Paper – Framework for Gas Retailer Insolvency Arrangements¹ (the "paper"), following an invitation from the GIC.

Greymouth Gas supports the decision that the GIC has made, after considering the previous options paper and submissions, to progress the paper to drafting instructions stage.

However, Greymouth Gas does note that the drafting instructions have factored in known parameters at the time of drafting. Therefore even though the drafting instructions are, after they are finalised, to be shelved until needed, we consider it prudent to revisit the drafting instructions from time to time like any piece of legislation.

If the drafting instructions are used in the future, Greymouth Gas recommends consultation at that time, where possible, and that due consideration is then had with regard to changes in the landscape even if those changes are not written into the drafting instructions.

Greymouth Gas has no comment on the paper and limited comment on the drafting instructions, as follows:

- 6(1) – it makes more sense to group allocation groups 1-2, and 3-6 together, than it does 1-3, and 4-6. ICP demand size limits could also be included as markets are often defined by demand size not meter size or technology.
- 6(2) – one business day is not enough time to ensure parties will definitely be able to opt-in or opt-out. We recommend one week and would also want to see Option B apply to each market or allocation grouping.

¹ Including the Insolvent Retailers Drafting Instructions ("drafting instructions")

- 8(1) – this does not give enough flexibility to retailers. E.g. if the market has moved and gas needs to be purchased for the retailer to be able to supply orphaned customers, then it may be unrealistic to expect those retailers to price at a previous market price and it may be unrealistic to expect those customers to agree to a higher price if an option exists for historic pricing.

Yours sincerely,



Chris Boxall
Commercial Manager