

17 August 2012

Ian Dempster Principal Advisor - Markets Gas Industry Company Limited PO Box 10 646 Wellington 6143

Dear lan,

RE: Gas Governance Issues in Quality: Investigation Update

Greymouth Gas New Zealand Limited ("Greymouth Gas") is pleased to make a submission on the Gas Governance Issues in Quality: Investigation Update (the "paper") following an invitation from the Gas Industry Company Limited ("GIC") on 1 August 2012.

Greymouth Gas considers the GIC to be on the right track with regard to gas quality and our submission follows the questions posed in the paper.

1) As far as you are aware, are the requirements and current practices for controlling gas quality described accurately? If not, please explain why not.

Yes.

2) As far as you are aware, are the requirements and current practices for monitoring gas quality described accurately? If not, please explain why not.

Yes.

3) As far as you are aware, are the requirements and current practices for reporting gas quality described accurately? If not, please explain why not.

Yes.

4) Do you have any comments on the discussion in relation to the controlling of gas quality?

No.

5) Do you have any comments on the discussion in relation to the monitoring of gas quality?

No.

6) Do you have any comments on the discussion in relation to the reporting of gas quality?

Greymouth Gas receives ad-hoc requests from customers for the full range of gas specification of co-mingled gas at certain measurement points on TSO pipelines. This information is important for customers to calibrate downstream equipment. On most (but not all) occasions, TSOs have been reluctant to provide a full range of gas specification despite existing contractual obligations to publically publish a subset of the same.

7) Do you think we have correctly identified the opportunities for improvement?

Yes.

8) Do you agree with our recommendations in relation to gas quality?

Yes.

Yours sincerely

Chris Boxall Commercial Manager