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9 October 2006

Mr Paul Mitchell  
Gas Industry Company Limited  
PO Box 10-646  
WELLINGTON

Dear Paul

**SUBMISSION ON PROPOSALS FOR SWITCHING, COMPLIANCE AND ENFORCEMENT ARRANGEMENTS**

I thank you for the opportunity to make a submission on the Gas Industry Company's Consultation Papers and enclose our submission on behalf of GasNet.

Should you wish to discuss this further please do not hesitate to contact me either by phone at (06) 349 0131 or by email at [geoff.evans@gasnet.co.nz](mailto:geoff.evans@gasnet.co.nz).

Yours sincerely



Geoff Evans  
**Manager**

# GasNet submission on Compliance Proposal

Submission from: Geoff Evans, GasNet

QUESTION	COMMENT
<p><b>Q1:</b> Do submitters agree with this Regulatory Objective? If not, what do you think the regulatory objective should be?</p>	<p>Yes although GasNet considers that there should be reference to cost effectiveness/efficiency.</p>
<p><b>Q2:</b> Do submitters agree with the analysis of the Proposal? If not, please state your reasons?</p>	<p>Yes</p>
<p><b>Q3:</b> Do submitters agree this Proposal complies with section 43N of the Gas Act? If not, please state your reasons.</p>	<p>Yes</p>
<p><b>Q4:</b> Do submitters have any other information that they consider is relevant to the assessment of the Proposal?</p>	<p>No</p>
<p><b>Q5:</b> Do submitters agree that the benefits relative to the costs of the Proposal are likely to be superior to a voluntary compliance and enforcement regime?</p>	<p>Yes</p>
<p><b>Q6:</b> Do submitters agree that the Proposal will lead to a higher level of compliance than a voluntary compliance and enforcement regime?</p>	<p>Yes</p>
<p><b>Q7:</b> Do submitters agree that the benefits relative to the costs of the Proposal are likely to be superior to alternative designs? If not, please specify which particular aspects of</p>	<p>Yes</p>

<p>the design should be amended, stating reasons.</p>	
<p><b>Q8:</b> Do submitters agree that the Proposal meets the Regulatory Objective? If not, why?</p>	<p>Yes</p>
<p><b>Q9:</b> Do submitters believe the proposed compliance regulations adequately reflect and govern the Proposal? If not, please provide all drafting amendments in mark-up.</p>	<p>Unable to comment as Appendix 4 not reviewed</p>
<p><b>Q10:</b> Do submitters agree with the funding options for the Proposal? If not, please state your reasons</p>	<p>GasNet generally agrees with Clause 8.3 to 8.7 noting that there will be future consultation on the funding mechanism. GasNet welcomes the opportunity to consult in this matter when further details are known.</p>
<p><b>Q11:</b> Do you have any other comments on the Proposal?</p>	<p>No</p>