

S005

30 April 2007

Nicole MacFarlane  
Gas Industry Company Limited  
PO Box 10-646  
Wellington

Dear Nicole

**SUBMISSION ON REVISED PROPOSAL FOR ALLOCATION OF SWITCHING AND REGISTRY COSTS**

I thank you for the opportunity to make a submission on the Gas Industry Company's Discussion Paper and attach GasNet's response in the format requested.

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**

# Submission on Revised Proposal for Allocation of Switching and Registry Costs – Discussion Paper 19 April 2007

Submission prepared by: Geoff Evans, Manager, GasNet

30 April 2007

QUESTION	COMMENT
<b>Q1:</b> Do you agree that the cost savings from the registry are likely to accrue in greater proportion to retailers than to distributors and meter owners?	Yes
<b>Q2:</b> Do you agree that transactions costs are likely to be reduced by allocating costs 100% to retailers rather than split between retailers, distributors and meter owners?	Yes
<b>Q3:</b> Do you agree that the electricity registry cost allocation may not provide a useful guide to the cost allocation for the gas registry?	Yes
<b>Q4:</b> Do you support the revised proposal to allocate switching and registry costs, both development and ongoing costs, 100% to retailers with the proportion based on their respective share of ICPs? What are your reasons?	Yes. <i>It is inevitable that costs incurred by the network and GMS operators will be passed through in their charges to the Retailers, at least this will be the case for GasNet where costs will be passed through directly in accordance with its pricing methodology. Any perceived benefits to retailers by reducing their apportionment will be artificial.</i>
<b>Q5:</b> If you do not support the proposal, what alternative proposal would you support? What are your reasons?	N/A