



7 July 2010

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Dear Ian

Options for Vector Transmission Capacity

Genesis Power Limited, trading as Genesis Energy, welcomes the opportunity to provide a submission to the Gas Industry Company ("GIC") on the consultation paper "Options for Vector Transmission Capacity", dated May 2010.

Genesis Energy does not wish to respond to the consultation questions directly without an indication from Vector as to their perspective on the best carriage regime. Genesis Energy is wary of the implications of an administratively guided change to commercial capacity arrangements and believes that the primary issue is lack of physical capacity on the Northern Pipeline. This is an issue of where investment risk should lie given Vector's commercial incentives and the overall regulatory regime for transmission pipelines.

If GIC decides that there is a case to intervene with respect to Vector's carriage regime then it will need to develop and clearly explain a problem definition as the case for intervention is not immediately obvious.

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

Yours sincerely

A handwritten signature in black ink that reads "John Bright".

John Bright
Regulatory Affairs Analyst