

**FY 2016 STATEMENT OF INTENT AND LEVY CONSULTATION  
 RESPONSE BY METHANEX NEW ZEALAND LIMITED  
 February 5 2015**

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<p>Q1: Do you consider there to be any other items that should be included in the Company's intended Work Programme for FY 2016?</p>	<p><b>Monitoring of gas markets:</b>          Methanex supports GIC monitoring of the emsTradepoint gas market (and other gas markets). We propose that GIC extends this activity to monitor the use being made of emsTradepoint and other gas markets by MDL and Vector (as pipeline owners) in meeting their gas balancing and pipeline management objectives.</p> <p>We propose amendments are made in the Work Programme to clearly identify this theme, from a balancing/pipeline management perspective, within the scope of the activities set out in Section 3.3 ("Transmission pipeline balancing" on page 21).</p> <p>We consider this amendment would be an adjunct to the activities proposed in Section 3.4 ("Wholesale market", page 27-28). Accordingly we don't consider this amendment would materially change resourcing or funding requirements.</p>
<p>Q2: Do you consider there to be any items that should be excluded from the Company's intended Work Programme for FY2016?</p>	<p>We have not identified any work streams that we consider should be excluded or reduced.</p>

<p>Q3: Is the projection of forecast gas volumes reasonable?</p>	<p>Forecasting gas volumes in the New Zealand context is difficult given the concentration of supply and demand among a small number of gas fields and large consumers. Consequently we see no reason to change the status quo assessment of gas volumes for the purposes of determining the GIC wholesale levy for FY 2016.</p>
<p>Q4: Comment on proposed levy for FY 2016</p>	<p>In terms of funding we consider that the revised fees structure proposed for FY2016 reflects the rebalancing of work streams.  Methanex would like to see the GIC provide more information as to how the costings within each work stream have been divided between wholesale and retail funding.</p>