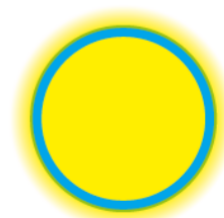


5 February 2015

Rt. Hon. J. B. Bolger
Chair
Gas Industry Company Limited
P.O. Box 10 646
WELLINGTON 6143

POWERCO



Dear Mr Bolger

Re: Statement of Proposal on FY2016 Statement of Intent and Levy

This is Powerco Limited's submission on the Gas Industry Company Limited's (GIC) consultation paper *Statement of Proposal on FY2016 Statement of Intent and Levy*.

Powerco supports the GIC's proposed work programme and does not wish to propose any amendments or additions to it. We will continue to take an active interest in the GIC's assessment of how well distribution companies are executing new investment contracts consistent with the distribution principles. We will also look forward to the seed paper on issues associated with the introduction of new metering technology.

We congratulate the GIC for the success of the *New Zealand Gas Story*, which has gone beyond the statutory requirement to report on the present state and performance of the gas industry and has become a resource which is successfully promoting greater awareness of the importance of the gas industry to the New Zealand economy and the industry's interesting historical development. We look forward to further updates and suggest that the GIC investigate the possibility of promoting the *New Zealand Gas Story* (or a simplified version of it) as an educational resource for schools.

The setting of the levy seems reasonable and we commend the GIC for maintaining downward pressure on costs.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richard Fletcher', written in a cursive style.

Richard Fletcher
General Manager Regulation and Government Affairs

APPENDIX – CONSULTATION QUESTIONS

Question	Comment
Q1: Do you consider there to be any other items that should be included in the Company's intended work programme for FY2016? If so, please describe the work required and how that work achieves the outcomes sought under the Gas Act and GPS.	No, other than to investigate the possibility of promoting the <i>New Zealand Gas Story</i> (or a simplified version of it) as an educational resource for schools.
Q.2: Do you consider there to be any items that should be excluded from the Company's intended work programme for FY2016? Please provide reasons for your response.	No.
Q3: We are particularly interested in industry comment on the forecast gas volumes – do stakeholders consider the projection reasonable? If not, what would they consider an appropriate gas volumes estimate to be?	Yes.
Q4: Do you have any comment on the proposed levy for FY2016?	The setting of the levy seems reasonable and we commend the GIC for maintaining downward pressure on costs.