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15 January 2013

Jacki Eves  
Gas Industry Company  
95 Customhouse Quay  
WELLINGTON

Submitted via: GIC website

Dear Jacki

## Support proposed threshold regime

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Genesis Power Limited, trading as Genesis Energy, welcomes the opportunity to provide a submission to the Gas Industry Company ("the GIC") on the consultation paper "Proposed amendments to the Gas Governance (Compliance) Regulations 2008 – further details of the threshold regime" dated 21 December 2012.

Genesis Energy supports the proposed threshold regime, and the relevant provisions in the Gas (Switching Arrangements) Rules 2008 and Gas (Downstream Reconciliation) Rules 2008 that the threshold regime could initially apply to. In our view, the GIC has pragmatically identified the most frequent non-material breaches. We consider that the proposed approach should consequently increase the efficiency of the compliance process.

We endorse the GIC's view that the application of a threshold to any of the identified rules will not be mandatory, and that the GIC will undertake further consultation on the details of any proposed threshold regime.<sup>1</sup> We also reiterate our support for the GIC maintaining the reporting of all alleged breaches by the Allocation Agent and the Registry Operator.<sup>2</sup> It is important that the GIC monitor

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<sup>1</sup> Paragraph 2.1 of the consultation paper.

<sup>2</sup> As noted in our prior submission, *Support introduction of new threshold regime*, Genesis Energy submission to the Gas Industry Company, 10 July 2012.

the level of all alleged breaches to ensure that there are no unintended consequences from this change.

If you would like to discuss any of these matters further, please contact me on 04 495 6354.

Yours sincerely

A handwritten signature in black ink, appearing to read 'KJ Collins', with a stylized flourish at the end.

Karen Collins  
Senior Regulatory Advisor