



8 February 2013

Mr G Hinds  
Principal Legal Counsel  
Gas Industry Company Limited  
PO Box 10 646  
Wellington 6143

Mighty River Power Limited  
Level 14, ANZ Centre  
23-29 Albert Street  
Auckland 1010  
PO Box 90399  
Auckland 1142

Phone: +64 9 308 8200  
Fax: +64 9 308 8209  
[www.mightyriverpower.co.nz](http://www.mightyriverpower.co.nz)

DDI: +64 6 348 7926

Dear Greg,

## **Statement of Proposal on FY2014 Strategy, Work Programme and Levy**

### **Introduction**

1. Mighty River Power welcomes the opportunity to provide this submission on the Statement of Proposal on the FY 2014 Strategy, Work Programme and Levy issued by the Gas Industry Company (GIC) on 20 December 2012. No part of the submission is confidential and Mighty River Power is happy for it to be publicly released.

### **Comments**

2. Our responses to the questions raised by the GIC in the Options Paper are attached in Appendix A below.

### **Concluding remarks**

3. If you would like to discuss any of our above comments directly with Mighty River Power, then please do not hesitate to contact me on 06 348 7926 or [jim.raybould@mightyriver.co.nz](mailto:jim.raybould@mightyriver.co.nz).

Yours sincerely

A handwritten signature in black ink that reads "Jim Raybould".

**Jim Raybould**  
Gas Manager

## Appendix A Recommended Format for Submissions

To assist Gas Industry Co in the orderly and efficient consideration of stakeholders' responses, a suggested format for submissions has been prepared. Respondents are also free to include other material in their responses.

Submission prepared by: Jim Raybould for Mighty River Power

QUESTION	COMMENT
<p>Q1: Do you consider there to be any other items that should be included in the Company's intended work programme for FY2014? If so, please describe the work required and how that work achieves the outcomes sought under the Gas Act and GPS.</p>	<p>No</p>
<p>Q2: Do you consider there to be any items that should be excluded from the Company's intended work programme for FY2014? Please provide reasons for your response.</p>	<p>No</p>
<p>Q3: In particular, do you consider that work should be undertaken with respect to metering arrangements? Please provide reasons for your response.</p>	<p>Yes. Whilst gas metering is a contestable business, for existing metering installations in practice it tends to operate as quasi monopoly with meters rarely being switched when a customer changes retailers. Given the quasi monopoly nature of the gas metering business we believe that it is important that GMS Agreements should be subject to the same level of scrutiny as Network Services Agreements and Retailers' Customer Contracts. It particular it is important to acknowledge that there are certain contractual arrangements, such as access, that are specified in GMS Agreements that need to be replicated in Customer Contracts. Some form over independent oversight on these agreements is therefore desirable.</p>
<p>Q4: Do you have any comment on the proposed levy for FY2014?</p>	<p>No</p>
<p>Q5: Do you have any comment on the regulatory amendments described in section 5?</p>	<p>Our preference for dealing with the over collection of levy funds is to see any over recovery returned to the industry via a reduction in the following year's levy. This ensures that the actual levy payers receive the refund of any levy over payment rather than a potential windfall, albeit minor, for gas wholesalers.</p>