

23 September 2013



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Marianna Pekar
Adviser
Gas Industry Company
PO Box 10-646
Wellington

Dear Marianna

Submission on Rule 37 – Consumption Accuracy Threshold

1. Vector Limited ("Vector") welcomes the opportunity to make a submission on the Gas Industry Company's ("GIC") consultation document on its Rule 37 Determination under the Gas (Downstream Reconciliation) Rules 2008, dated 9 September 2013.
2. Vector agrees with the GIC's proposal to maintain the current $\pm 10\%$ consumption accuracy threshold for the 2013-14 gas year. We agree that tightening this threshold, on its own, would not have a significant impact on general compliance with Rule 37, and would not provide sufficient incentives for market participants to make further investments to improve the accuracy of their initial allocation estimates.
3. Vector looks forward to providing input into the GIC's upcoming work on alternative approaches that would deliver more efficient initial allocation arrangements.
4. This submission is not confidential and Vector is happy for it to be made publicly available.
5. Vector's contact for this submission is:

Luz Rose
Senior Regulatory Analyst
04 803 9051
Luz.Rose@vector.co.nz

Yours sincerely

A handwritten signature in blue ink that reads "Bruce Girdwood".

Bruce Girdwood
Manager Regulatory Affairs