



20/7

2 May 2006

Mr I Dempster  
Gas Industry Company  
P O Box 10-464  
WELLINGTON

Dear Ian

**CONCEPT DESIGN FOR WHOLESALE GAS MARKET**

Thank you for the opportunity to comment on the "Concept Design for Wholesale Gas Market" and taking the time to discuss the consultation paper with me on my recent visit to Wellington. I am responding on behalf of the Commercial Division of Wanganui Gas (WGL) and would firstly apologise for the late response.

WGL agrees with the consultation paper in that we believe that first and foremost there is a need for a Wholesale Market arrangement to deal with the mismatches that will occur on various transmission pipelines as result of the introduction of Maui Open Access.

Having discussed the matter with you WGL believes that the most cost effective option for the development of a Wholesale Gas Market would be Option 2 the "Platform Bilateral" model. We would however suggest that given that initially the market will operate to manage shippers' mismatches that you give some consideration to the creation of an Aggregator role within this model. The Aggregator would be someone who would manage client shippers' mismatch positions within the market initially between his or her clients and then through the Wholesale Market.

Again thank you for this opportunity to comment on these matters. I only regret that I have not been able to give such an important and complex matter as much time as it deserves. I would be happy to discuss any of the above comments or issues with you and can be contacted on e-mail at [jim.raybould@wanganuigas.co.nz](mailto:jim.raybould@wanganuigas.co.nz) or by phone on DDI 06 349 0126.

Yours sincerely

Jim Raybould  
**Commercial Manager**

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