

Appendix A: Recommended Format for Submissions

To assist the 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

(Energy Direct NZ - Jim Raybould)

QUESTION	COMMENT
Q 1: Do you agree with the proposal not to alter the structure of the levy for the 2007/08 financial year?	Yes, however we should only have one annual levy change and not multiple changes as workstreams are completed and initiated.
Q 2: Do you agree with the proposed policy for funding the implementation of gas governance arrangements?	WGL agrees that the implementation costs of projects such as the establishment of the central registry should be individually identified. We do however have some concerns regarding the application of separate "levies" for the individual projects. In Energy Direct NZ's (EDNZ) case we will show the individual levies for the implementation projects on our customers' accounts.
Q 3: Do you agree with the proposed indirect cost allocation methodology?	Yes
Q4: Do you agree with the proposed approach to balancing levy revenue against relevant expenditure, over several years ?	Yes
Q5: Do you agree that the strategic goals proposed are an appropriate basis for providing work programme and cost inputs for levy setting?	Yes but we do have some concerns regarding some of the workstreams.

QUESTION	COMMENT
Q6: Do you agree that the work programme set out above is appropriate to achieving the set strategic goals?	In general yes however like all participants we will take our own position on each of the workstreams.
Q7: Do you agree that the indicated budgets are appropriate to the proposed work programme?	<p>EDNZ is concerned at the increasing cost of compliance that the GIC is imposing on the Gas Industry. In addition to the General Levy we expect to incur additional costs in the forthcoming year for 5 workstreams.</p> <p>As we have stated before gas is an energy of choice for approximately 250,000 customers and any additional costs associated with the energy makes it more difficult to retain or grow the industry.</p>
Q8: Do you agree with the relaxation of the funding requirements including the allocation of costs between the wholesale and retail work programmes and the carrying over of some of the accumulated surplus?	Yes
Q9: Do you agree that it is appropriate to decrease the levy for 2008/09 to the levels set out above given the requirements of the indicated work programme and Gas Industry Co's statutory obligations?	Yes however the GIC has to recognise that this levy will only form part of the charges that this retailer will show as the costs that it is incurring from the GIC.

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