



05 February 2009

Peter Davies
Gas Industry Company
PO Box 10-646
Wellington

Dear Peter,

Nova Gas Submission regarding the proposed 2009/2010 Levy

Please find attached Nova submission regarding the Gas Industry Company's proposed levy for the 2009/10 period.

With respect to the proposed levy structure we make the following comments:

- 1) The GIC needs to be cognisant of the changing economic environment that participants operate in and the increasing expectation that we will all have to tighten our belts and do more with less. We believe this requires that the GIC review its expenditure and its work programme with the objective of reducing expenditure relating to its future work program as well as looking for savings in corporate overheads.
- 2) Given the change in Government and the potential for changes in Government expectations of the Gas industry, we would expect some early engagement with new Government to reaffirm or amend expectations regarding the future work program and projects requiring significant expenditure.
- 3) The Gas Industry Company should re-evaluate its processes for committing to significant project expenditure following the significant cost overruns of the reconciliation information systems development project in 2008.

Yours Sincerely

Charles Teichert
Nova Gas