



3 May 2005

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Attention Richard Longman  
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### **Follow up Submission on the Gas Industry Company Levy Consultation Document**

NGC appreciates the opportunity to provide further comments on the GIC levy proposal and, in short, supports the implementation of the levy as articulated in the document, and the recommendations to Government as stated. The following comments are made with a view to contributing to ongoing constructive dialogue for use in future reviews of the levy rather than as a request for change to the current recommendations.

#### *Pragmatic and Balanced*

While submissions have not yet been made available for wider interpretation, NGC believes the document is a concise and clear summary of the issues and draws sensible conclusions from a broad range of views.

NGC believes the document represents a fair and balanced view of its own comments, and to the extent that the GIC's summary reflects the views of other submissions, the document expresses a reasonable and decisive response to the views of interested parties.

NGC supports the proposal that, for levy purposes, only one calculation of the annual obligation per consumer is made on the last full gas year, and payments are made in equal instalments.

#### *Levy Structure*

Once the GIC has investigated some of the issues it may be possible to determine whether an ICP or volume based approach better reflects the benefits to consumers and wholesale and retail levels. NGC would like to see the GIC reconsider this issue next year.

#### *Budget Pressure*

A positive aspect of this consultation is that all stakeholders appear to agree that the GIC should be highly conscious of its costs, and the need for minimising compliance costs. In NGC's view, this bodes well for the future as there is a clear incentive on all parties to make positive contributions to the work of the GIC and help it manage its costs. The regulatory

counterfactual of an Energy Commission may well impose greater costs on all parties while increasing the distance between policy decision-making and commercial arrangements. NGC looks forward to working with the GIC and other stakeholders to develop the necessary arrangements for the post-Maui supply environment.

Yours sincerely

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