



Strategic Plan

natural
gas



Changes to the Gas Act 1992 in late 2004 provided for co-regulation of the gas industry by the Government and an industry body. Gas Industry Co was established to fulfil the role of the industry body under the Act and was approved by Order in Council on 22 December 2004. Its roles are:

- recommending arrangements, including rules and regulations where appropriate, which improve:
 - the operation of gas markets;
 - access to key infrastructure; and
 - consumer outcomes;
- administering, overseeing compliance with, and reviewing such arrangements; and
- reporting regularly to the Minister of Energy on the performance and present state of the New Zealand gas industry, and the achievement of Government's policy objectives for the gas sector.

The principal objective of Gas Industry Co, in recommending gas governance arrangements, is to ensure that gas is delivered to existing and new customers in a safe, efficient, fair, reliable, and environmentally sustainable manner.

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Rt Hon James Bolger
ONZ Chair



Robin Hill
Deputy Chair

April 2007

01 | Chair's Foreword

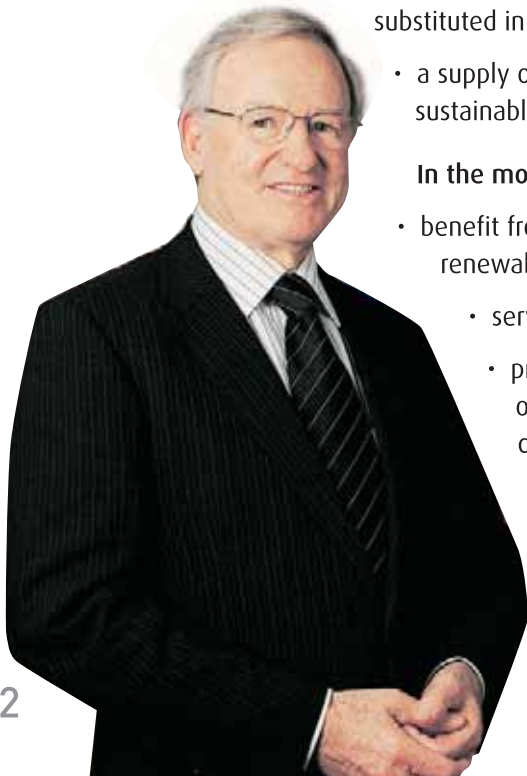
Over the past forty years New Zealand has grown its gas industry to be a substantial component of its total energy mix.

The gas market currently provides:

- 20% of New Zealand's primary energy;
- a competitive fuel option for residential, commercial and industrial applications;
- a low-carbon fuel option for electricity generation, contributing to overall flexibility and security of supply;
- a means of efficiently absorbing, without flaring, any gas associated with increased domestic oil production;
- an indigenous fuel displacing imported alternatives;
- a range of specialist New Zealand companies supporting the exploration for, and production, treatment, and utilisation of gas;
- a relatively environmentally-benign, direct-use energy source which cannot be easily substituted in many commercial and industrial applications; and
- a supply option to bridge any delays or impediments to the development of more sustainable energy alternatives.

In the more distant future, the gas market may:

- benefit from new carbon capture technologies putting it on an equal footing with renewable energy sources;
 - serve as an economical sink for the gaseous by-products of oil production;
 - provide a low emission fuel for export to replace high emission substitutes in other countries (thereby making a significant positive contribution to global climate change); or
 - find a new application in ways not yet fully considered (possibly based around carbon-neutral bio-gas).



The gas market currently provides 20% of New Zealand's primary energy

The current framework for energy policy in New Zealand is based on competitive markets providing for the efficient allocation of resources. This framework has been successful. New Zealand enjoys relatively low energy prices and relatively high levels of supply security.

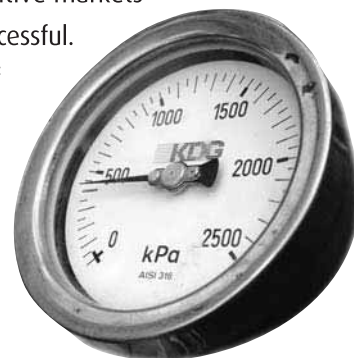
The draft New Zealand Energy Strategy to 2050 notes that New Zealand currently faces two major, long-term energy challenges:

- “responding to climate change and tackling carbon emissions from our energy production and use,”
- “delivering secure, clean energy at affordable prices to support economic development, while being environmentally responsible”

I believe there is ample evidence to suggest that gas will play a cornerstone role in meeting these twin energy challenges. Gas Industry Co was formed to advise the Minister on industry efficiency, and to improve infrastructure access and market mechanisms. The Company is on track to deliver these outcomes through a challenging work programme.

This is the third Strategic Plan prepared by Gas Industry Co since it was formed in December 2004. It describes what the Company intends to accomplish specifically in the 2007/08 financial year and more broadly over the coming three year period.

I look forward to your ongoing support in delivering against this work programme which has been designed to meet the requirements of the Government's October 2004 Policy Statement on Gas Governance (GPS).



Rt Hon James Bolger, ONZ Chair

02 | Strategic Overview

2.1 Introduction

The recent independent report by Allen Consulting Group on the state of the New Zealand gas industry confirmed that the priorities and tasks in the GPS are “...strongly consistent with the need to develop the fundamental elements of a well-functioning gas market, particularly in relation to the wholesale market, access to transmission and distribution pipelines, and the establishment of a customer switching registry”.¹

Gas Industry Co has established six strategic priorities for the industry during the period of this Strategic Plan, these are:

- effective operation of the co-regulatory model;
- improvement of consumer outcomes;
- improvements to the retail market;
- development of wholesale market trading arrangements;
- review of infrastructure access arrangements; and
- development of sound emergency management systems.

2.2 Policy Design

Good policy design takes time. Gas Industry Co expects to put forward its first set of recommendations for regulatory arrangements to the Minister in May 2007. While the subject matter - rules to establish a central gas registry to allow effective switching of customers between retailers, and associated compliance regulations - has benefited from working precedents in the NZ electricity industry, these recommendations have taken two years to complete.

¹ Allen Consulting Group, The New Zealand gas industry in 2006, Review of its state and performance, 15 November 2006, page xi.

A number of work streams are planned to move to an implementation phase in the next year.

It is expected that other work streams could take longer. This is due to our commitment to:

- clear problem definition and identification of fit-for-purpose solutions based on the best available information;
- detailed development work on preferred options, including cost/benefit analysis; and
- providing the opportunity for meaningful consultation with all parties likely to be substantially affected by the policy at all stages.

For these reasons, many of the work streams identified below stretch through successive years of this Plan and some timeframes should be seen as “stretch” rather than “soft” targets.

2.3 Review of Work Programme

As part of its annual levy-setting process in late 2006, Gas Industry Co reviewed its work programme and budget. While some timeframes were adjusted as a result of new information, the review largely confirmed the appropriateness of the nine work streams identified in last year’s Strategic Plan.

One notable change pertains to the development of compliance and enforcement arrangements. To date, new compliance and enforcement arrangements have been a part of the switching and registry work stream as the Company has developed a tailor-made compliance regime to support a central gas registry and switching rules. However, other Gas Industry Co work streams, such as reconciliation and emergency management, are now reaching the point where compliance regimes may need to be developed. Gas Industry Co has therefore established a stand-alone Compliance and Enforcement work stream to encompass this work.

Significantly, a number of work streams are planned to transition to an implementation phase in the next year. These include switching, reconciliation, wholesale markets and transmission governance. This will see a change in the nature of resourcing required from the industry and Gas Industry Co in the period covered by this Plan.

2.4 Strategic Priorities 2008 - 2010

The effective operation of the co-regulatory model

Gas Industry Co considers that the partnership between the industry and the Government underpins the co-regulatory model.

To ensure its policy recommendations will deliver the desired outcomes, Gas Industry Co retains its commitment to:

- focus on long-term objectives and outcomes;
- open and transparent decision-making with clear recommendations to the Minister; and
- high standards of accountability to all its stakeholders.

Gas Industry Co will continue to work closely with industry on each of its work streams. As well as consultation on discussion papers, this will include setting up specific project and implementation teams as required.

The improvement of consumer outcomes

To improve outcomes for consumers in certain aspects of their supply arrangements, the Government asked Gas Industry Co to consider a number of matters. One of these matters is the establishment of standard practices across the industry for disconnection and reconnection of gas.

Significant work has now been undertaken on arrangements for disconnection of gas in vacant premises and the intention is to approach the industry for voluntary agreement to the preferred arrangement. If industry agreement cannot be obtained, a recommendation for a regulatory solution will be made to the Minister by April 2008.

In addition, Gas Industry Co will continue to monitor and report on consumer issues through its regular consumer forums, including reporting on the effectiveness of the current consumer complaints regime. Work streams will be added as required to address issues that arise. In designing solutions for consumer supply arrangements, Gas Industry Co continues to be conscious that, to the greatest extent possible, it should not disproportionately impose regulatory cost on the retail sector given the small size of the consumer base.

Improvements to the retail market

In the retail and distribution sector, there are a number of opportunities to improve the overall efficiency of the market.

Essential to the development of a competitive retail market is an efficient process to allow customers to switch from one retailer to another. Gas Industry Co has undertaken an extensive consultation process on this issue, which is expected to culminate in a recommendation to the Minister in mid-2007 on rules to establish a central gas registry and for switching of gas customers between retailers.

There is also a need to develop arrangements which ensure that accurate and timely information is available to industry participants to enable them to track the quantities of gas they trade and transport. Gas Industry Co has developed a proposal for downstream gas reconciliation and allocation arrangements and intends to develop a recommendation to the Minister in late 2007. Gas Industry Co will move into a significant period of implementation for both of these work streams during the period covered by this Strategic Plan.

Gas Industry Co has also been tasked with reviewing distribution and metering arrangements to ensure that the market is operating efficiently and delivering the desired outcomes for consumers.

The development of wholesale market trading arrangements

The GPS invites Gas Industry Co to develop efficient wholesale gas market trading arrangements. Gas Industry Co is taking an incremental approach to improving the efficiency of this market, and has identified as its first priority the need to improve transactional efficiency in the short term trading of gas, particularly in relation to secondary trades. It is a challenge to achieve a practical market design given the small number of participants, the low liquidity in the market and the physical characteristics of the New Zealand pipeline network.

The first step has been to release a form of standard contract for use in current trading arrangements, which is now available free of charge on Gas Industry Co's website. If supported by cost benefit analysis, the next step is to implement a simple IT platform for short term trading, in respect of which the Company anticipates making a recommendation to the Minister by mid 2007. Once approved, implementation of the platform will be an important focus for the latter part of the period covered by this Plan. The expected "go live" date for this work is June 2008.

The review of infrastructure access arrangements

Access to infrastructure is an important issue for the development of New Zealand's gas market. The Gas Act and GPS stated objective is for access to infrastructure to be on fair and reasonable terms. Gas Industry Co's Transmission Access Issues Review released in June 2006 identified a number of issues which may hinder achievement of the Act and GPS objectives. Pipeline owners and industry participants are currently working together to address these issues in a number of forums.

Each of New Zealand's two major transmission systems – the Maui pipeline and the Vector pipelines - has its own distinct access regime. At Gas Industry Co's request, Vector has agreed to develop a Vector Transmission Code covering the multilateral aspects of its access arrangements to bring them more in line with those for the Maui pipeline. Gas Industry Co is also developing a set of overarching principles with which transmission arrangements will need to comply. These principles will include management of common terms and conflicts of interest, and provision of access rights to new entrants.

Gas Industry Co has also undertaken a review of access arrangements for gas processing facilities. In March 2007 the Minister accepted a recommendation to develop a voluntary information disclosure regime for gas processing facilities, with a deadline of June 2007. The work programme for 2007/08 will largely depend on gaining unanimous industry agreement to the voluntary regime. If industry agreement cannot be obtained, Gas Industry Co has been asked to provide a recommendation for a regulatory disclosure regime.

The development of sound emergency management systems

A key issue for the gas industry is the need to develop and implement sound arrangements for emergency management. This is because the current National Gas Outage Contingency Plan is a voluntary arrangement that is no longer supported by all industry participants.

Gas Industry Co has been asked by industry participants to review the existing arrangements and make recommendations to move them to a more robust footing, taking into account the new commercial environment.

Gas Industry Co is currently developing arrangements that will be effective in the event of an emergency without providing inappropriate incentives or unnecessary distortions. Gas Industry Co expects to consult on the arrangements during late 2007, and hopes to complete implementation in 2008.

In conclusion

With a number of work streams set to move into an implementation phase, Gas Industry Co and the industry face an intensive work programme over the three years of this Plan.

03 | Co-Regulatory Framework

3.1 Introduction

The Gas Act, as amended in late 2004, provides for the establishment of an industry body to act as the co-regulatory partner to the Government in developing arrangements governing the gas industry. Gas Industry Co was incorporated in July 2004 and approved as the industry body under the Act by Order in Council on 22 December 2004.

The co-regulatory model for the gas industry has a number of similarities with more traditional regulatory regimes, but also some important differences. Key features of the model are:

- the Minister is restricted in what regulations or rules he/she can recommend in a number of areas without first receiving a recommendation from the Gas Industry Co, or at least providing a reasonable opportunity for Gas Industry Co to make a recommendation;
- the Gas Industry Co can recommend regulations/rules or non-regulatory arrangements where these are the most reasonably practicable option;
- there is an expectation of input from industry participants to the development of arrangements through industry groups and consultation processes;
- the industry body is a private company; and
- the appointment of directors of Gas Industry Co, the majority of whom are independent, is voted upon by industry shareholders.

The combination of the Act, any GPS on gas (which the Minister of Energy may issue from time to time), and the constitution of Gas Industry Co provides the framework within which Gas Industry Co is required to operate in developing gas governance arrangements.

Gas Industry Co recommends gas governance arrangements to the Minister of Energy.

3.2 The Gas Act

As the industry body under the Act, Gas Industry Co is able to make recommendations to the Minister of Energy on a range of matters affecting governance of the gas sector. This range includes the wholesaling, retailing, processing, transmission and distribution of gas. The Act also sets out certain requirements of Gas Industry Co relating to any GPS, reporting to Government, the company constitution and funding.

3.3 The Company's Constitution

Gas Industry Co's constitution provides that the purpose of the Company is to perform the function and duties, and exercise the powers, of the industry body under Part 4A of the Act. The constitution has been designed to ensure that the Company complies with the requirements for approval as an industry body under the Act, and continues to do so over time.

The Act requires that any body to be approved as the industry body needs to:

- be broadly inclusive of industry participants (membership is not compulsory);
- have a board with a majority of independent members, including an independent chair;
- be capable of delivering outcomes that meet the Government's objectives for the gas industry;
- have governing rules with objectives consistent with the objectives set out in section 43ZN of the Act relating to developing recommendations on the wholesaling, processing, transmission, distribution and retailing of gas;
- allow all industry participants, except service providers appointed under any gas governance regulation, to become members of the industry body; and
- have rules requiring it to regularly report to the Minister on the performance and state of the gas industry, the body's performance and achievement of its objectives and other relevant matters.

The constitution was adopted in November 2004, and subsequently amended in May 2006 to allow for Gas Industry Co to undertake roles wider than just those under rules and regulations. A copy of the constitution is available from Gas Industry Co's website (www.gasindustry.co.nz).

There are over 11,600 km of distribution pipelines in the North Island.

3.4 The Government Policy Statement on Gas Governance

The Minister of Energy has set the objectives and outcomes for Gas Industry Co, and the gas industry, by issuing a Government Policy Statement. The current GPS was published in the Gazette and presented to the House of Representatives in October 2004. The GPS sets out the specific outcomes that the Government expects Gas Industry Co to pursue in the areas of wholesaling, processing, transmission, distribution and retailing of gas.

As outlined in figure 1, the GPS states that the Government's overall policy objective for the gas industry is to ensure that gas is delivered to existing and new customers in a safe, efficient, fair, reliable, and environmentally sustainable manner.

Consistent with this overall objective, the GPS sets out a number of specific objectives and outcomes it expects Gas Industry Co to pursue. Significantly, Gas Industry Co is not given "carte blanche" as to how it should attain these objectives and outcomes. Instead the GPS sets a series of tasks across a number of defined areas. These reflect the Government's assessment of the priority areas for action. Gas Industry Co's work streams relate directly to the outcomes, objectives and tasks set out in the GPS.

3.5 In Summary

The combination of these key documents provides the co-regulatory framework within which Gas Industry Co is required to operate and presents the objectives and outcomes the Company must seek. They set out a clear role for Gas Industry Co that involves leading the gas sector to develop, implement and review industry arrangements.

Gas Industry Co will assess its progress on achieving the GPS objectives and outcomes by the performance measures and delivery of the milestones set out in this Strategic Plan. Gas Industry Co reports quarterly to the Minister and will also update the industry on its progress through regular meetings and the Annual Report.

Figure 1

The Government Policy Statement On Gas Governance

Overall Objective “to ensure that gas is delivered to existing and new customers in a safe, efficient,

Specific Outcomes

The facilitation and promotion of the ongoing supply of gas to meet New Zealand’s energy needs, by providing access to essential infrastructure and competitive market arrangements

Energy and other resources are used efficiently

Barriers to competition in the gas industry are minimised to the long-term benefit of end-users

Incentives for investment in gas processing facilities, transmission and distribution, energy efficiency and demand-side management are maintained or enhanced

The full costs of producing and transporting gas are signalled to consumers

Tasks in GPS

Improvements to Market Arrangements

Development of protocols and standards applying to wholesale gas trading, including quality standards, balancing and reconciliation

Development of a secondary market for the trading of excess and shortfall quantities of gas

Development of capacity trading arrangements

Standardisation and upgrading of protocols relating to customer switching, so that barriers to customer switching are minimised

Establishment of gas flow measurement arrangements to enable effective control and management of gas

fair, reliable, and environmentally sustainable manner.”

| | | | | |
|---|---|--|---|--|
| Delivered gas costs and prices are subject to sustained downward pressure | The quality of gas services and in particular trade-offs between quality and price, as far as possible, reflects customers' preferences | Risks relating to security of supply, including transport arrangements are properly and efficiently managed by all parties | Consistency with Government's gas safety regime is maintained | The gas sector contributes to achieving the Government's climate change objectives by minimising gas losses and promoting demand-side management and energy efficiency |
|---|---|--|---|--|

| Infrastructure Access | | | Consumer Outcomes | |
|--|---|--|---|--|
| Establishment of consistent standards and protocols across distribution pipelines so that gas market participants can access distribution pipelines on reasonable terms and conditions | Establishment of an open access regime across transmission pipelines so that gas market participants can access transmission pipelines on reasonable terms and conditions | Protocols that set reasonable terms and conditions for access to gas processing facilities | Development of efficient and effective arrangements for the handling of consumer complaints | Development of model contract terms and conditions between consumers and retailers |

04 | Industry Context

4.1 Introduction

Gas Industry Co operates in the context of the overall energy sector and the gas industry within New Zealand. This section of the Strategic Plan provides a brief explanation of this operating environment.

4.2 Gas Exploration, Production and Processing

Gas exploration, production and processing represent the supply base for the gas industry in New Zealand. In the absence of gas imports, exploration sustains the production and processing sectors - and the rest of the gas industry. An industry expert estimates that the country's developed (proven and probable) gas reserves totalled around 720 PJ at the end of 2005, with in the order of a further 880 PJ of possible and potential reserves.² At a current annual demand of around 150 PJ, this is equivalent to about 5 years of developed supply with up to a further 6 years of developable supply.

For this reason the Government has implemented a suite of initiatives based around royalty reductions and the funding of seismic data acquisition through the Crown Minerals Programme for Petroleum (released in January 2005). This fiscal incentive package, combined with market-based incentives to address a looming shortage situation, appears to have stimulated a significant upswing in exploration activity.

At present, New Zealand's gas supplies are dominated by reserves in the Taranaki region, with the Maui field having been by far the largest. Maui production is supplemented by a range of smaller fields including Kapuni, McKee, TAWN and Mangahewa (see figure 2). These fields supply a range of processing facilities, often as part of a vertically integrated operation. Ownership of gas fields and processing facilities tend to be closely aligned.

4.3 Delivery Infrastructure

Natural gas is reticulated through 3,400 km of high-pressure transmission pipelines and 11,600 km of distribution networks in the North Island. The locations of transmission pipelines connecting major locations of gas supply and demand in the North Island are shown in Figure 2.

Around 230,000 residential consumers use natural gas

Transmission pipelines transport large volumes of natural gas under high pressure from production fields to distribution networks, or to large customers along the pipeline. New Zealand has two major transmission pipeline systems, one owned by Vector Limited and the other by Maui Development Limited (MDL, a joint venture between Shell, Todd and OMV).

Distribution networks reticulate gas taken from the transmission system into houses, offices, hospitals, factories and other businesses. There are currently four distribution companies: Vector, Powerco, GasNet and Nova Gas.

4.4 Demand for Gas

In common with most other industrialised economies, **'the natural gas industry plays a very large role in the New Zealand economy, and its state and performance has an impact on productivity and growth.'**³ It contributes to employment, is used by homes and firms as a fuel and raw material for heating, cooking and manufacturing, and provides a vital firming role in electricity generation.

The following explains the various uses of natural gas in New Zealand:

a) Residential Gas Use

Around 230,000 residential consumers use natural gas for water heating, space heating and cooking. The existing gas infrastructure could sustain a much higher degree of penetration.⁴ The low penetration rate appears to be the result of three main factors:

- the relatively recent development of reticulation to many parts of the North Island;
- the lack of market mechanisms to support retail competition (currently being established by Gas Industry Co); and
- the industry's difficulty in converting consumers to gas when there are widespread, popular misconceptions about the imminent end of New Zealand's gas supplies.⁵

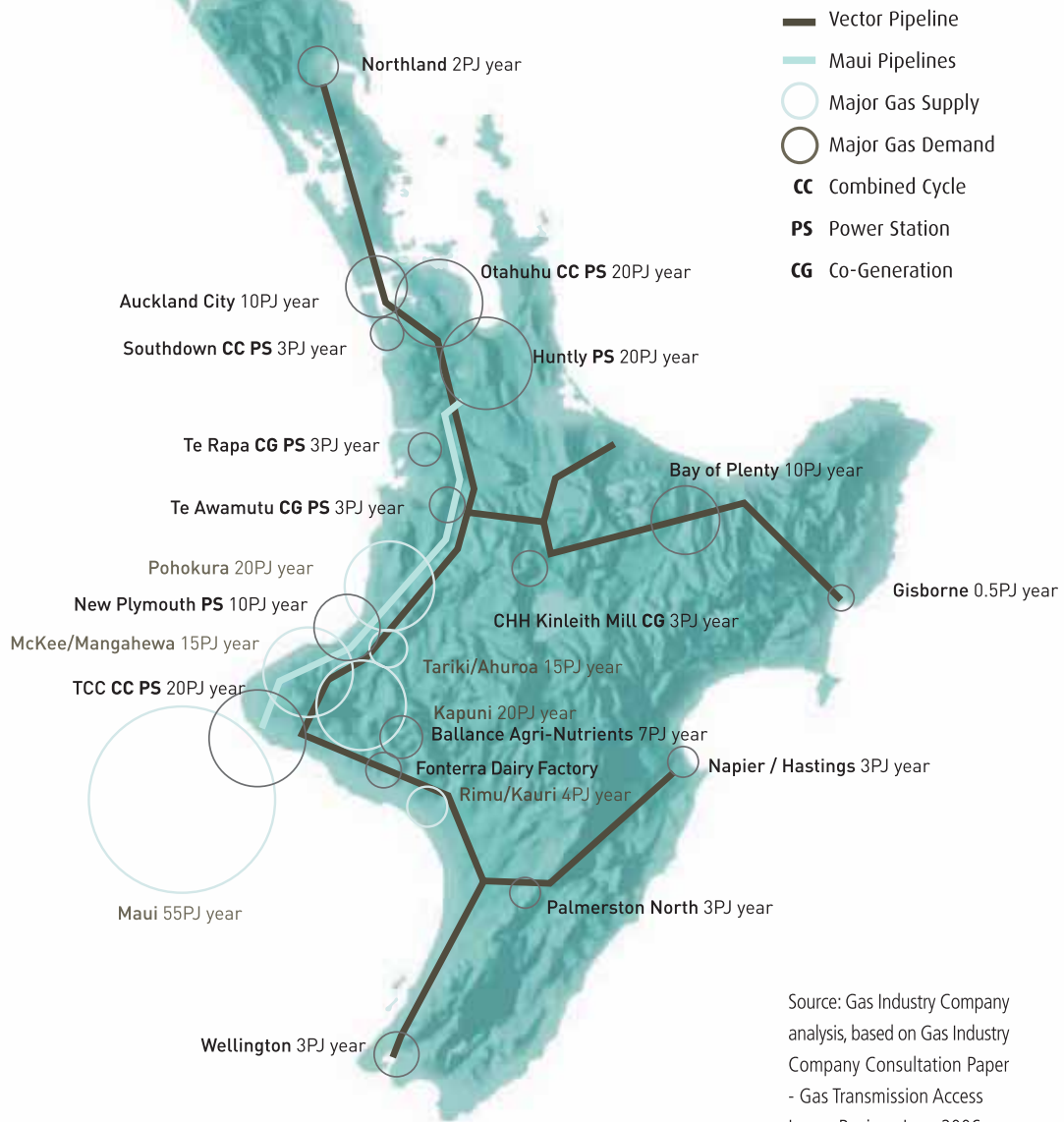
In addition, it can be very difficult for consumers and investors to determine the most efficient

³ Allen Consulting Group, 2006. The New Zealand Gas Industry in 2006: Review of its State and Performance, p. v

⁴ See Allen Consulting Group, 2006. Op cit, p. 78, which highlights that the New Zealand gas industry has only 13% of the number of customers as its electricity industry.

⁵ See, for example, '... [a]nd you don't need to worry about gas running out – as residential customers use only 2.5% of the total gas used in New Zealand. The gas industry is confident of supply for the foreseeable future' in Genesis Energy's gas inquiry leaflet 'Natural Gas in the Home'.

Figure 2 Current Gas Supply and Demand



Source: Gas Industry Company analysis, based on Gas Industry Company Consultation Paper - Gas Transmission Access Issues Review, June 2006, Page 123

There are 3,400 km of high-pressure transmission pipelines

and sustainable course of action – there are numerous different tradeoffs between fuels, equipment types and related factors.

b) Commercial and Industrial Gas Use

Three industries use gas as a raw material as well as a fuel: two methanol plants in Taranaki (only one of which is currently operating),⁶ an ammonia-urea plant at Kapuni in Taranaki ⁷ and a hydrogen peroxide plant close to Morrinsville.⁸

In addition, many hotels, motels, restaurants, retail outlets, office buildings, small manufacturing enterprises, schools, hospitals and similar community facilities use natural gas for a range of purposes such as hot water, space heating and cooking. In the rural sector, farms and horticultural businesses use natural gas for heating.

Because of its low environmental impact, competitive price, and ease of delivery and use, natural gas is the fuel of choice for a range of industrial applications which can be broadly categorised as:

- process heating, where gas is used directly for heating and drying operations such as in furnaces, ovens, kilns, incinerators etc.; and
- steam raising, where steam is produced in boilers for use in turbines, drives, space heating, and combined heat and power applications.

The three largest user groups in New Zealand are the steel, forestry and dairy sectors. All three export a large proportion of their production.

c) Electricity Generation

Although gas is increasingly being applied to high-efficiency co-generation applications in the dairy, steel and forestry industries,⁹ its main use is as a fuel for major power stations.

The relative volumes and proportions of gas used in electricity generation have changed with availability of supply and substitute fuels, in particular water, reflecting the dual roles of gas-fired generation for both base load and firming.

⁶ Methanex Ltd, 2006. Methanex in New Zealand [online]. Available at <URL: http://www.methanex.com/ourcompany/locations_newzealand.html> accessed 13 March 2007.

⁷ Ballance Agri-Nutrients Limited, 2007. About Ballance [online]. Available at <URL: http://www.ballance.co.nz/About%20Ballance/About_Ballance.asp?ID=2&Def=1> accessed 13 March 2007.

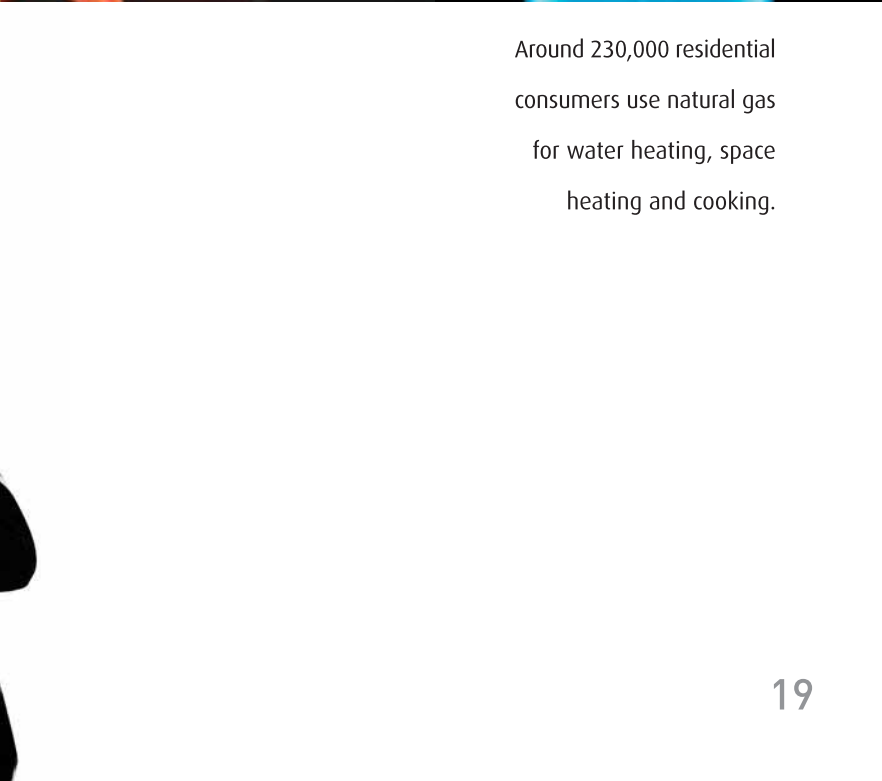
⁸ Degussa Peroxide Ltd, 2001. Degussa Peroxide - Company Information [online]. Available at <URL:<http://www.degussa-huels.co.nz/company.html>> accessed 13 March 2007.

⁹ Cogeneration occurs when a primary energy source is used to produce two forms of useful energy (electricity and heat) at the same time.

New Zealand gas supplies are dominated by reserves in the Taranaki region, with the Maui field having by far the largest.

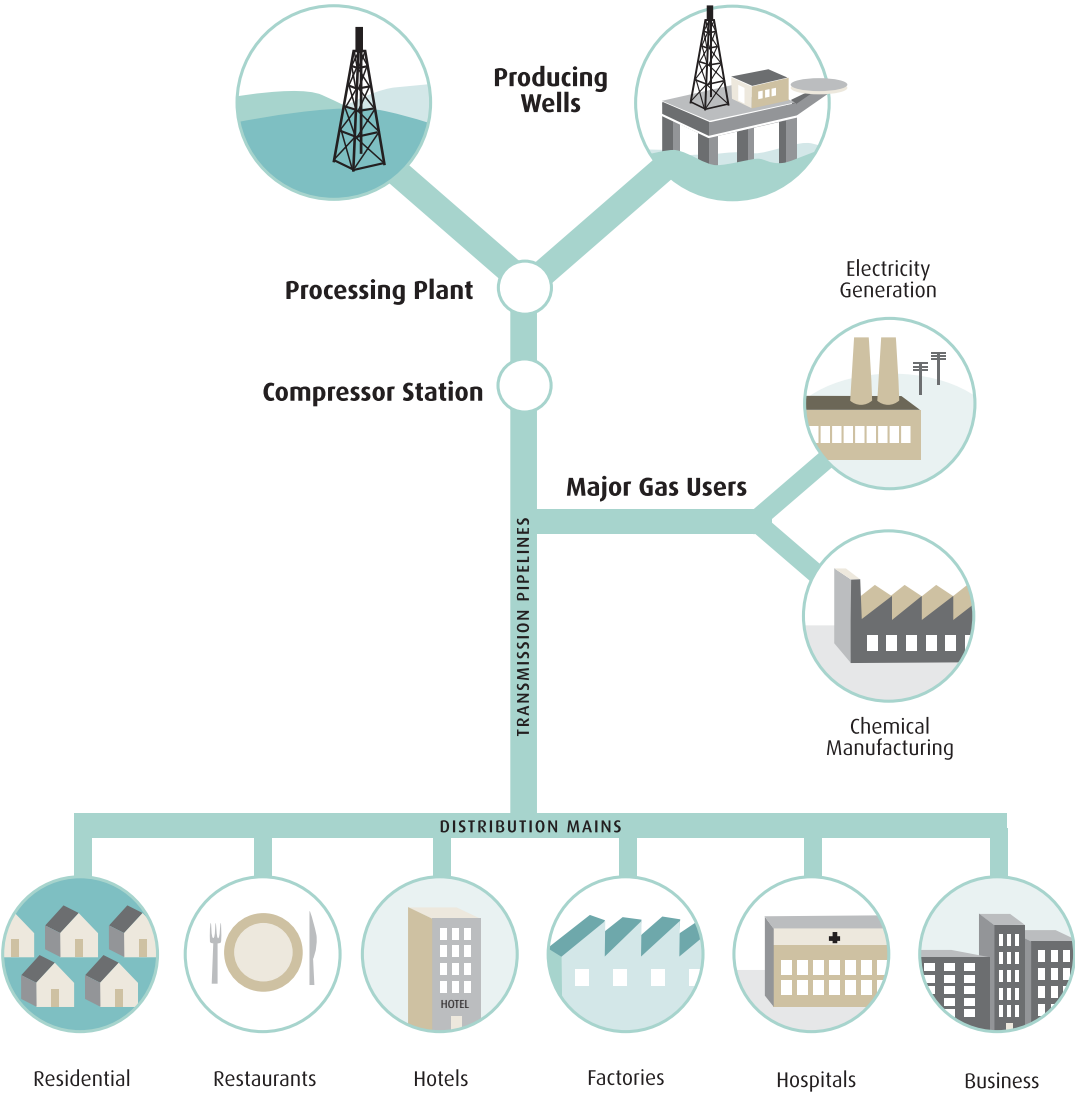


Natural gas is reticulated through 3,400 km of high-pressure transmission pipelines and 11,600 km of distribution networks in the North Island.



Around 230,000 residential consumers use natural gas for water heating, space heating and cooking.

The New Zealand Gas System



05 | Work Programme and Performance Measures

5.1 Introduction

Each year, in conjunction with its budget and levy setting process, Gas Industry Co develops a comprehensive work programme to achieve its objectives, outcomes and strategic priorities over the coming year. The work programme is developed from the functions set out for the industry body in the Act, and the objectives and outcomes set out in the GPS.

The following table sets out the ten work streams in the current work programme and shows how these relate to the Company’s strategic priority areas.

Current Work Programme

| Strategic Priorities | Work Streams |
|--|---|
| Effective operation of the co-regulatory model | <ul style="list-style-type: none"> • Corporate |
| Improvement of consumer outcomes | <ul style="list-style-type: none"> • Consumer issues • Distribution access review • Switching and registry • Compliance and enforcement |
| Improvements to the retail market | <ul style="list-style-type: none"> • Distribution access review • Switching and registry • Reconciliation • Compliance and enforcement |
| Development of wholesale market trading arrangements | <ul style="list-style-type: none"> • Wholesale market • Reconciliation • Compliance and enforcement |
| Review of infrastructure access arrangements | <ul style="list-style-type: none"> • Open access review • Access to gas processing facilities • Distribution access review • Compliance and enforcement |
| Development of sound emergency management systems | <ul style="list-style-type: none"> • Emergency management • Compliance and enforcement |

5.2 Performance Measures

The Gas Act requires Gas Industry Co to set out in its Strategic Plan the main financial and non-financial measures and standards by which the future performance of the industry body may be judged. During the period of intensive policy development, the key performance measure for Gas Industry Co should be the timeliness and quality of the policy advice required by the GPS. As we move to implementation of the recommended policy arrangements it will be possible to review the effectiveness of the new initiatives in promoting the efficiency and competitiveness of the industry. This will require market systems to be put in place and new information to be collected, analysed and published.

The balance of this section sets out the key activities and milestones for the 2007/08 year for each of Gas Industry Co's ten work streams, together with the desired outcome for each work stream.



5.3 Corporate

Gas Industry Co has a statutory requirement to advise the Minister on strategic matters affecting the gas industry. In addition the Company has a number of other statutory and constitutional obligations to fulfil. The primary activities in the corporate work stream are the preparation of the Company’s strategic plan and annual report, the quarterly performance reports to the Minister and the recommendation to the Minister on the appropriate levy for the following year.

The levy process is an intensive activity which begins around October each year. The process requires budgets to be set for the following year, consultation with those affected by the levy and the preparation of a formal recommendation to the Minister. All of these are required to be completed by March.

Also included in this work stream are stakeholder communications. Gas Industry Co is committed to operating in an open and inclusive manner and communicating proactively with stakeholders through use of its website, newsletters, consultation documents and workshops.

The activities listed below summarise Gas Industry Co’s key corporate accountability and strategic advice activities.

| Work Stream | Policy Outcome | Activity | Milestone |
|-------------|---|-------------------|---|
| Corporate | Effective operation of the co-regulatory model. | Quarterly Reports | Provide quarterly reports to the Minister within 60 days of each quarter. |
| | | 2008/09 Levy | 2008/09 Levy Recommendation to to Minister by 31 March 2008. |
| | | Annual Report | Annual Report to Minister by 30 September 2007. |
| | | AGM | Hold AGM by 31 December 2007. |
| | | Strategic Plan | Draft Strategic Plan to Minister by 31 May 2008. |
| | | Strategic Advice | As required , provide advice to Minister on strategic issues affecting the gas industry. |

5.4 Consumer Issues

The Government is committed to ensuring that gas is delivered to customers in a fair manner. This requires consideration of issues such as price and service delivery. Given the small size of the consumer base in New Zealand, cost effective solutions will be required.

In the current year, significant work has been undertaken on new arrangements for disconnection and reconnection of gas in vacant premises. It is envisaged that industry agreement will be sought to a “straw man” proposal which will mitigate the risk of inefficient disconnections. If agreement cannot be obtained to a contractual arrangement, a regulatory recommendation is expected to be made to the Minister by April 2008.

Gas Industry Co will also continue to proactively address consumer concerns through its regular consumer forums, and address any other issues requested by the Minister in the period covered by this Strategic Plan.

The activities listed below summarise Gas Industry Co’s steps towards implementing Government’s expectation on the improvement of consumer outcomes.

| Work Stream | Policy Outcome | Activity | Milestone |
|-----------------|--|--|--|
| Consumer Issues | Gas is delivered to new and existing customers in a safe, efficient, fair, reliable, and environmentally sustainable manner. | Develop new disconnection / reconnection arrangements. | If required , provide Recommendation to Minister on disconnection arrangements by April 2008. |
| | | Consumer issues investigation. | If required , provide Recommendation to Minister on consumer issues investigation within nine months of request. Hold consumer forum by June 2008. |



5.5 Switching and Registry

Effective customer switching arrangements are required to enable customers to switch between retailers. The accuracy and timeliness of this process is an important factor for the competitiveness of the retail market: an ineffective switching process creates disincentives for retailers to compete for new consumers and for customers to change retailers.

Gas Industry Co expects to recommend to the Minister in May 2007 that the efficiency of the existing switching arrangements could be improved through the development of a central gas registry system with associated rules for switching of customers. Concurrently a recommendation to the Minister on regulations for the enforcement of the switching rules is also expected to be made.

The implementation of the proposed switching arrangements depends on an amendment to section 43G(2) of the Act to enable the proposed switching rules to be mandatory on all registry participants. This is expected in late 2007. Timing of the implementation of the new switching arrangements is therefore directly linked to the passing of that amendment and gazetting of the new rules.

The activities listed below summarise Gas Industry Co's steps towards implementing a central gas registry.

| Work Stream | Policy Outcome | Activity | Milestone |
|------------------------|--|-----------------------------------|--|
| Switching and Registry | The standardisation and upgrading of protocols relating to customer switching, so that barriers to customer switching are minimised. | Implement switching arrangements. | Appoint Registry Service Provider within three months of Switching Rules being Gazetted. |

5.6 Compliance and Enforcement

The development of new compliance and enforcement arrangements has to date been incorporated in the switching and registry work stream as the Company has developed a tailor-made compliance regime to support a central gas registry and switching rules.

However, other Gas Industry Co work streams, such as reconciliation and emergency management, are now reaching the point where compliance regimes may also need to be developed. Therefore, Gas Industry Co has established compliance and enforcement as a stand alone work stream for the period covered by this Strategic Plan.

In the period covered by this Plan, Gas Industry Co expects to implement a compliance regime for the switching rules and also to investigate compliance and enforcement requirements for other gas governance arrangements.

| Work Stream | Policy Outcome | Activity | Milestone |
|-----------------------------------|--|---|--|
| Compliance and Enforcement | To provide a high degree of confidence that proposed arrangements will be adhered to, and thereby contribute to the better achievement of the Government's policy objectives for the gas industry. | Investigate compliance and enforcement requirements of new gas governance arrangements. | As required , compliance and enforcement requirements for new gas governance arrangements investigated. |
| | | Implement compliance regime to support new switching arrangements. | Compliance regime in place within three months of central gas registry 'Go Live' date. |

5.7 Reconciliation

Open access to networks requires that those who share receipt points can determine which party is responsible for the gas at the receipt point, and how the quantities of gas for each party are to be apportioned and charged for. This process is referred to as allocation and reconciliation.

The accuracy and timeliness of this process is an important part of the efficient operation of transmission and distribution networks. In addition, the wholesale and retail markets rely on the accuracy of the allocation and reconciliation process for information about market transactions.

Gas Industry Co is in the process of developing new arrangements for efficient downstream allocation and reconciliation of gas quantities, with a view to making a recommendation to the Minister by the end of 2007. A review of upstream reconciliation will follow in future years.

The activities listed below summarise Gas Industry Co's steps towards implementing efficient reconciliation arrangements in the period covered by this Plan.

| Work Stream | Policy Outcome | Activity | Milestone |
|----------------|---|--|--|
| Reconciliation | The establishment of gas flow measurement arrangements to enable effective control and management of gas. | Development of new downstream reconciliation arrangements. | Provide recommendation to Minister on downstream reconciliation arrangements by December 2007. |
| | | Implement new downstream reconciliation arrangements. | Implementation of new downstream reconciliation arrangements by October 2008. |



5.8 Wholesale Market

The decline of the Maui gas field and the development of a more fragmented range of gas producers and fields have contributed to a need for the development of more sophisticated arrangements for the trading of gas.

Gas Industry Co is adopting an incremental approach to this work stream area. It has, as a first step, developed a standard contract to be used for ad hoc bilateral trading between parties. This was released to the industry in April 2007. A standard contract is expected to lower transaction costs, thereby improving efficiency.

Gas Industry Co has also developed a functional specification for a simple IT platform for the efficient trading of short term quantities of gas, and proposes to issue a Request for Proposal to potential platform providers in May 2007.

Provided the cost/benefit analysis (based on tenders received) indicates that the project is feasible, the activities listed below summarise the steps to be taken during the period of this Plan towards implementing Government's expectations on the development of wholesale market arrangements.

| Work Stream | Policy Outcome | Activity | Milestone |
|------------------|--|--|---|
| Wholesale Market | <p>The development of protocols and standards applying to wholesale gas trading, including quality standards, balancing and reconciliation.</p> <p>The development of a secondary market for the trading of excess and shortfall quantities of gas.</p> <p>The development of capacity trading arrangements.</p> | Implement wholesale market arrangements. | <p>Appoint platform provider by 30 November 2007.</p> <p>Platform 'Go Live' by June 2008.</p> |

5.9 Open Access Review

In 2006, Gas Industry Co began a review of access to gas transmission pipelines to determine whether the Government's policy objectives were being met. Following consultation and consideration of submissions, Gas Industry Co concluded that a variety of work streams were required to address the issues identified.

One work stream involved defining the high level principles of pipeline access, and the legal framework within which they are managed (the "access framework"). An options analysis paper, which described and evaluated a number of access framework alternatives, was released in March 2007. From that paper's evaluation of the options, a "Light Regulation" option was recommended. If the Company proceeds with this option, it will involve writing the high level

principles of pipeline access into rules. It is expected that Gas Industry Co would then report to the Minister on the preferred access framework, and follow up with a formal recommendation to the Minister on implementation details.

Of the other work streams initiated by the transmission access review, it is expected that the one considering pipeline balancing will require ongoing work throughout 2007 and 2008. Balancing refers to the management of the inventory of gas in a pipeline within acceptable limits. Currently, separate but inter-dependent balancing regimes are operated on the Maui and Vector pipelines. There have been significant issues in managing pipeline balancing since full open access on the Maui pipeline commenced on 1 December 2006. The problems experienced have adversely affected a number of parties connected to, and shipping gas through, the pipelines. These issues are currently under review in a series of industry workshops, and it is expected that further work will be required to review the regimes and possibly to consider alternative options for managing pipeline balancing.

Gas Industry Co has several roles under the Maui Pipeline Operating Code including making recommendations to the pipeline owner in respect of Maui Pipeline Operating Code change requests. There is still a large degree of uncertainty around the level of activity that will be required to oversee the change request process. However, it is expected that a number of change requests will be created as a result of Gas Industry Co's access framework implementation and the industry's review of pipeline balancing.

The activities listed below summarise Gas Industry Co's steps towards implementing the Government's expectations for open access to transmission pipelines during the period of this Plan.

| Work Stream | Policy Outcome | Activity | Milestone |
|--------------------|--|-----------------|---|
| Open Access Review | The establishment of an open access regime across transmission pipelines so that gas market participants can access transmission pipelines on reasonable terms and conditions. | Balancing | Release balancing review issues paper for industry consultation by 31 October 2007. Release balancing review options paper for industry consultation by 31 January 2008. |
| | | Legal Framework | Report to Minister on preferred access framework by 31 August 2007. Recommendation to Minister on access framework for transmission governance by 30 April 2008. |
| | | MPOC | Timely processing of MPOC rule change requests. |

5.10 Distribution Contracts

An important aspect of the efficiency of the retail and distribution sectors is the interface between retailers and distributors. In most cases, retailers do not have a choice about which distributor they use. This creates the potential for parties to use market power to impose inefficient terms and conditions or prices on retailers, which may be passed on to consumers.

In respect of distribution arrangements, the level of competition in the retail market will be influenced by how easy it is for retailers to enter into contracts with distributors and the reasonableness of conditions in those contracts.

Gas Industry Co deferred work on this issue in the 2006/07 financial year until the outcome of Commerce Commission work in this area becomes clearer. The activities listed below summarise Gas Industry Co's steps towards implementing Government's expectations on the efficiency of distribution arrangements.

| Work Stream | Policy Outcome | Activity | Milestone |
|-------------------------------|---|--|---|
| Distribution Contracts | The establishment of consistent standards and protocols across distribution pipelines so that gas market participants can access distribution pipelines on reasonable terms and conditions. | Review current distribution contract arrangements. | Release distribution contracts issues discussion paper for industry consultation by April 2008. |



5.11 Access to Gas Processing Facilities

Raw gas is sourced from gas, oil or condensate wells and is typically a mixture of various hydrocarbons, water vapour and other compounds. Gas processing facilities form a vital part of the production chain, removing impurities and processing raw gas into the form required.

The GPS invites Gas Industry Co to develop protocols that set reasonable terms and conditions for access to gas processing facilities. In December 2006, Gas Industry Co made a recommendation to the Minister to develop a voluntary information disclosure regime in respect of gas processing facilities. That recommendation was accepted in March 2007 when the Minister set a deadline of June 2007 for acceptance of the voluntary regime by the industry. The work programme for 2007/08 will largely depend on whether industry agreement is obtained. If industry agreement cannot be obtained, Gas Industry Co is expected to provide the Minister with a recommendation for a regulatory solution.

The activities listed below summarise Gas Industry Co's steps towards implementing Government's expectations on access to gas processing facilities during the Plan period.

| Work Stream | Policy Outcome | Activity | Milestone |
|--------------------------|---|---|--|
| Access to Gas Processing | Protocols that set reasonable terms and conditions for access to gas processing facilities. | Implement voluntary arrangements (industry agreement). OR Investigate regulatory disclosure. | Publish collated information disclosure by November 2007. OR Recommendation to Minister by November 2007. |



5.12 Emergency Management

The National Gas Outage Contingency Plan is a voluntary, industry-based arrangement, which outlines the actions industry participants are expected to take in the event of a major gas outage event. Gas Industry Co has been requested by industry participants to review this arrangement. Specifically, the Company is reviewing the commercial issues involved in changing the existing voluntary contingency plan to make it more consistent with open access and the changing gas market. This was initiated at the industry's request, but is consistent with the GPS.

Gas Industry Co is currently developing proposed arrangements that will be effective in the event of an emergency without providing inappropriate incentives or unnecessary distortions. Gas Industry Co expects to consult on the proposed arrangements during late 2007 and hopes to have completed implementation in 2008.

The activities listed below summarise Gas Industry Co's activities to implement sound emergency management arrangements during the period covered by this Plan.

| Work Stream | Policy Outcome | Activity | Milestone |
|----------------------|---|--|--|
| Emergency Management | A review of the existing voluntary National Gas Outage Contingency Plan was requested by industry participants. | Develop new emergency management arrangements. Implement new emergency management arrangements. | Recommendation to Minister on new emergency management arrangements by November 2007. Implement industry arrangements, including Rules and/or Regulations where required to create sound emergency management arrangements by June 2008 |



06 | Financial Statements

6.1 Introduction

In accordance with section 43ZR of the Gas Act, Gas Industry Co's forecast financial statements are set out below. These statements have been prepared using information consistent with that used for the calculation of the 2007/08 Gas Industry Co levy. Further detail about the assumptions, revenue calculations and work stream expenses used to calculate the 2007/08 levy can be found in the January 2007 Levy Discussion Paper on Gas Industry Co's website. The 2006/07 forecast was approved by the Board in December 2006 and includes actual results for the period from June 2006 to December 2006 and an up to date forecast for the period from January 2007 to June 2007.

6.2 Forecast Statement of Financial Performance

| | 06 Forecast 07 \$000 | 07 Budget 08 \$000 |
|-----------------------------------|----------------------------|--------------------------|
| Revenue | | |
| Levy | 3,982 | 4,844 |
| Shareholders' annual fees | 100 | 90 |
| Interest | 19 | 18 |
| Total revenue | 4,101 | 4,952 |
| Expenses | | |
| Audit fees | 8 | 7 |
| Board | 250 | 250 |
| Depreciation | 74 | 88 |
| General expenses | 355 | 407 |
| Occupancy | 97 | 97 |
| Personnel | 1,484 | 1,789 |
| Work streams | 1,720 | 2,006 |
| Total Expenses | 3,988 | 4,644 |
| Surplus | 113 | 308 |
| Transfer to equity reserve | - | 90 |
| Net Surplus after transfer | 113 | 218 |

6.3 Forecast Statement of Movement in Equity

| | Share Capital | Accumulated Surplus/(Loss) | Total |
|--------------------------------------|------------------|-------------------------------|------------------|
| Balance 30 June 2006 | 10 | (331,796) | (331,786) |
| Forecast net surplus for the year | | 113,464 | 113,464 |
| Forecast Balance 30 June 2007 | 10 | (218,332) | (218,322) |
| Forecast net surplus for the year | | 308,322 | 308,322 |
| Forecast Balance 30 June 2008 | 10 | 89,990 | 90,000 |

6.4 Forecast Statement of Financial Position

| | 06 Forecast 07 \$000 | 07 Budget 08 \$000 |
|----------------------------------|----------------------------|--------------------------|
| Current assets | | |
| Bank | 257 | 613 |
| Debtors | 3 | 3 |
| Total current assets | 260 | 616 |
| Fixed assets | 228 | 197 |
| Total assets | 488 | 813 |
| Current liabilities | | |
| Payables and accruals | 368 | 385 |
| Total current liabilities | 368 | 385 |
| Shareholders' loans | 338 | 338 |
| Total liabilities | 706 | 723 |
| Net assets | (218) | 90 |
| Represented by | | |
| Share capital | | |
| Retained earnings (losses) | (218) | 90 |
| Total shareholders' funds | (218) | 90 |

6.5 Forecast Statement of Cash Flows

| | 06 Forecast 07 \$000 | 07 Budget 08 \$000 |
|---|----------------------------|--------------------------|
| Cash flows from operating activities | | |
| Levy income and annual fees | 4,090 | 4,934 |
| Interest income | 19 | 18 |
| Operating expenses | (4,077) | (4,540) |
| Net cash flows from operating activities | 32 | 412 |
| Cash flows from investing activities | | |
| Capital purchases | (56) | (56) |
| Net cash flows from investing activities | (56) | (56) |
| Cash flows from financing activities | | |
| Shareholder loan repayments | (463) | - |
| Net cash flows from financing activities | (463) | - |
| Net cash flows | (487) | 356 |
| Opening cash balance | 744 | 257 |
| Closing cash balance | 257 | 613 |

6.6 Statement of Contingent Liabilities and Commitments

Gas Industry Co has no known contingent liabilities or assets.

Gas Industry Co's lease commitment in relation to its premises commenced 1 July 2005 and expires 30 May 2009 at an annual rental of approximately \$82,680.

Other operating lease commitments are for office equipment.

Gas Industry Co has various ongoing commitments for the operation of the company.

| | Actual 06 \$ | Forecast 07 \$ |
|--|-----------------|-------------------|
| Operating lease commitments | | |
| Not later than one year | 82,680 | 82,680 |
| Later than one year but not later than two years | 82,680 | 75,790 |
| Later than two years but not later than five years | 75,955 | - |
| Later than five years but not later than ten years | - | - |
| Total operating lease commitments | 241,315 | 158,470 |
| Equipment commitments | | |
| Not later than one year | 21,268 | 19,376 |
| Later than one year but not later than two years | 19,366 | 2,907 |
| Later than two years but not later than five years | 2,906 | - |
| Later than five years but not later than ten years | - | - |
| Total equipment commitments | 43,540 | 22,283 |

6.7 Statement of Accounting Policies

Reporting Entity: Gas Industry Co is a company incorporated under the Companies Act 1993. It is the approved industry body under the Gas Act 1992. These prospective financial statements have been prepared in accordance with section 43ZR of the Gas Act and the Financial Reporting Act 1993.

Measurement Base: These financial statements have been prepared on the historical cost basis.

Particular Accounting Policies: The financial statements are prepared in accordance with New Zealand generally accepted accounting practice. The following particular accounting policies, which materially affect the measurement of financial performance, financial position and cash flows, have been applied consistently:

- **Revenue:** Revenue is derived from the Gas Industry Co levy imposed under Subpart 2 of Part 4A of the Gas Act 1992, from annual fees charged to shareholders and from interest on deposits. Such revenue is recognised when earned and is reported in the financial period to which it relates.
- **Taxation:** Gas Industry Co is not intending to be in a tax payable position over the forecast period either by being in a loss position or because it is operating on a cost recovery basis.
- **Goods and Services Tax (GST):** The statement of financial performance and statement of cash flows have been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST.
- **Accounts receivable:** Accounts receivable are carried at estimated realisable value after providing against debts where collection is doubtful.
- **Employee entitlements:** Employee entitlements to salaries and wages, annual leave, long service leave and other benefits are recognised when they accrue to employees.
- **Financial Instruments:** Financial instruments carried on the statement of financial position include cash and bank balances, investments, receivables, trade creditors and borrowings. Except for those items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.
- **Depreciation:** Depreciation of fixed assets is provided on a straight line basis, so as to allocate the depreciable amount of assets over their useful lives. The depreciable amount is the historical cost. The estimated useful lives are:

| Category | Estimated Useful Life |
|--------------------------|-----------------------|
| IT – Hardware & Software | 3 – 5 Years |
| Office Equipment | 4 – 6 years |
| Leasehold Improvements | Term of Lease |
- **Statement of cash flows:** The following are the definitions of the terms used in the statement of cash flows:
 - Operating activities include all transactions and other events that are not investing or financing activities.
 - Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments can include securities not falling within the definition of cash.
 - Financing activities are those activities that result in changes in the size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activities.
 - Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

6.8 Statement of Significant Underlying Assumptions Followed in Compiling Forecast Financial Statements

The following assumptions have been made in the development of the forecast financial statements. These assumptions were adopted on 1 April 2007:

- These forecast financial statements comply with generally accepted accounting practice. The measurement base applied is historical cost.
- Accrual accounting has been used to prepare these financial statements.
- These statements have been prepared on a going-concern basis.
- The forecast financial statements have been presented for the purpose of providing financial information that underlies the work programme as set out in the 2008 - 2010 Strategic Plan. This financial information may not be appropriate for other purposes.
- It is not intended that these financial forecasts will be re-issued.
- Actual financial results achieved for the period covered are likely to vary from the information presented and the variations may be material.
- The annual levy of \$4.8 million plus GST is assumed to be effective from 1 July 2007 and paid monthly. Any monthly levy not payable due to the date on which the levy regulation comes into force will be paid on the 20th of the month following the levy regulation coming into force.
- The wholesale levy revenue is budgeted to be \$2.798 million plus GST for the 2007/08 year. This is based on an estimate of 145PJ being purchased from producers and a levy rate of 1.93 cents/GJ. If the actual wholesale gas volumes are different from the estimate, there may be a material difference to the wholesale levy revenue.
- The retail levy revenue is budgeted to be \$2.045 million plus GST for the 2007/08 year. This is based on an estimate of 250,000 ICPs at a levy rate of \$8.18/ICP per annum. If the actual number of ICPs is different from the estimate, there may be a material difference to the retail levy revenue.
- Gas Industry Co's Constitution allows for the Board to set an annual fee for the financial year. The 2007/08 Budget assumes that the annual fee paid by each shareholder will remain at \$10,000 per annum. For the year commencing 1 July 2007 it is expected that there will be a total of nine shareholders (NGC Holdings has given notice of redemption of its shareholding effective on 30 June 2007). It is intended that the annual fees are retained over four years to create reserves of \$360,000. The equity for the year ended 30 June 2008 is an amount of \$90,000.
- The Company has deferred its scheduled 25% loan repayment in December 2006 to allow discussion with lenders about an extended loan term proposal. It anticipates paying its scheduled 25% repayment before June 2007. Repayment of the last tranche of the original shareholder loans is made over 4 years resulting in repayment in full by June 2011.
- Gas Industry Co's budget is based on a best estimate of the costs to deliver the work programme prepared for the calculation of the 2007/08 levy. Budgets are set significantly in advance of consultation on proposed new policy initiatives. Accordingly, actual expenditure may vary from budgeted expenditure as policy design is revised to reflect changes that may be required as a result of submissions received and further analysis.
- There is limited ability to alter the company's revenue other than the annual levy review process. Expenses for work streams include the cost of:
 - consultancy;
 - legal advice;
 - payments to working group chairs and members, where the member is not in the paid employment of an industry participant; and
 - technical advice to working groups.

Directory

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Website: www.gasindustry.co.nz

Gas Industry Company Directors

as at 30 April 2007

Right Honourable James (Jim) Bolger, ONZ, Chair

Robin Hill, B Comm, FCA, Deputy Chair, Independent Director

Mark Verbiest, LLB, Independent Director

Mark Franklin, BE (Electrical)

Ajit Bansal, PhD, BSc (Hons), DipM

Murray E Jackson, MBA, BEc, FTSE, FIEAust

Keith Davis, Independent Director

Gas Industry Company Executive

Christine Southey, Chief Executive

Ian Dempster, Senior Adviser Wholesale Markets

Ian Wilson, Senior Adviser Pipelines

Nicole MacFarlane, General Counsel

Helen Brown, Senior Adviser Finance

Nicki Lau Young, Senior Adviser Legal

Mark Soper, Strategy and Corporate Adviser

Paul Sullivan, Markets Analyst

Auditors: Grant Thornton, Wellington

Bankers: Westpac Banking Corporation Limited

Gas Industry Shareholders

as at 30 April 2007

Contact Energy Limited

Genesis Power Limited

Mighty River Power Limited

NGC Holdings Limited

OMV New Zealand Limited

Powerco Limited

Swift Energy New Zealand Limited

Shell (Petroleum Mining) Limited

Vector Limited

Wanganui Gas Limited

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