

Office of Hon Pansy Wong

MP for Botany
Minister for Ethnic Affairs
Minister of Women's Affairs
Associate Minister for ACC

Associate Minister for Disability Issues
Associate Minister of Energy and Resources

1 2 MAY 2010

Rt. Hon James Bolger, ONZ Chair Gas Industry Co. Level 8, the Todd Building 95 Customhouse Quay WELLINGTON 6143

Dear Rt. Hon James Bolger, ONZ

ARRANGEMENTS FOR THE OVERSIGHT OF GAS RETAIL CONTRACTS

Thank you for your letter of 29 March 2010 with which you enclosed Gas Industry Co's document Recommendation to the Associate Minister of Energy and Resources on the Endorsement of Arrangements for the Oversight of Gas Retail Contracts ("the Recommendation").

I agree that the arrangement meets GPS requirements. I also concur that a voluntary approach is preferred and that its effectiveness will depend on a high degree of participation. It makes sense for the voluntary arrangement to be trialled before considering regulated or partly regulated approaches. I note that Gas Industry Co will maintain a "watching brief" to help determine whether further action, possibly including regulation, is justified.

The recommendation notes that I will be provided with a copy of the June 2010 baseline assessment. I would also ask that you send me any post-2010 assessments that are to be put in the public domain before they are published. It would be helpful if this post-2010 material could be accompanied by Gas Industry Co's comment on the extent to which the arrangement is meeting GPS outcomes. It would also be helpful if any material provided to me was also forwarded to my colleague, the Minister of Consumer Affairs.

Yours sincerely

Hon Pansy Wøng

Associate Minister of Energy and Resources