

GAS INDUSTRY COMPANY LIMITED

PO Box 10 646, Wellington, New Zealand

Telephone: +64 4 472 8194, Facsimile: +64 4 472 8195

www.gasindustry.co.nz, email: info@gasindustry.co.nz

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Dear industry participant

Gas Industry Company Levy Consultation

As you may be aware, recent amendments to the Gas Act 1992 provide for the co-regulation of the gas industry by the Government and an industry body. The Gas Industry Company Limited (GIC) has been established by the gas industry to fulfil the role of the industry body as set out in the Gas Act. The GIC was approved as the industry body by order in council on 22 December 2004.

The Gas Act provides for the GIC to recover the costs of exercising its functions under that Act through a levy on industry participants. The GIC is required to consult with the industry before recommending a levy structure and levy rate to the Minister. The attached discussion paper provides information about the levy proposed by the GIC.

The board of the GIC welcomes comments and feedback on the discussion paper from industry participants and consumers. **Submissions should be sent to the GIC by 15 April 2005.**

Once responses to the paper have been reviewed, the GIC will prepare final recommendations for submission to the Minister. The GIC expects to present these submissions to the Minister by the end of April 2005.

Please note that the levy is to be reviewed annually and consultation will be undertaken at each review. Cost allocations and the levy structure are likely to change as the activities of the GIC evolve.

Should you have any queries in relation to the proposed levy, please contact the GIC's secretariat, whose details are provided in section 9 of the discussion paper.

Yours sincerely
Gas Industry Company Limited

Rt. Hon James Bolger (ONZ)
Chairman