

24 February 2006

Dear Stakeholders

Levy Arrangements 2006/07

As you may be aware, the Gas Act 1992 provides for the Gas Industry Company Limited (Gas Industry Co) to recover the costs of exercising its functions under the Act through levies on industry participants. The levy is set on an annual basis and the Company has an obligation to consult with industry participants on the levy.

The purpose of this letter is to seek your input on the 2006/07 levy. A comprehensive consultation paper titled: 2006/07 Levy Discussion Paper, is enclosed.

The consultation paper:

- reviews last year's levy development process;
- addresses the general principles of setting levies;
- discusses outstanding and new issues pertinent to the 2006/07 levy;
- describes the work which the Gas Industry Co will undertake in the 2006/07 year; and
- proposes levy options for the 2006/07 levy.

The consultation document is also available to be downloaded from the Gas Industry Co's website: www.gasindustry.co.nz.

The Gas Industry Co invites submissions on the proposal by **5 pm on 17 March 2006**. Please note that submissions received after this date may not be able to be considered.

Interested parties are also invited to attend a workshop on the levy options proposed in the consultation document. The workshop will be held on Monday, 13 March 2005, from 9:30 am – 11:30 am, at the Gas Industry Co's offices, Level 9, State Insurance Tower, 1 Willis Street, Wellington.

The purpose of the workshop is to assist stakeholders with understanding the options proposed in the consultation document and to provide people with an opportunity to ask questions.

All parties wishing to attend the workshop should advise the Gas Industry Co, telephone: 04 472 1800 or email: info@gasindustry.co.nz, by Monday, 6 March.

Should you have any questions about the consultation document or the workshop, please contact Ian Wilson on telephone: 04 494 2462 or email: ian.wilson@gasindustry.co.nz.

Yours faithfully

A handwritten signature in black ink, appearing to read 'CSouthey', with a long horizontal flourish extending to the right.

Christine Southey
Chief Executive