



**Office of Hon David Parker**  
Minister of Energy  
Minister Responsible for Climate Change Issues  
Minister for Land Information

14 MAR 2007

Christine Southey  
Chief Executive Officer  
Gas Industry Company  
PO Box 10-646  
WELLINGTON

19 MAR 2007

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Dear Christine

Thank you for your letter of 21 December 2006 attaching the Gas Industry Company recommendation on protocols for access to gas processing facilities.

I am grateful to receive this recommendation. I regard the efficient use of infrastructure as an important outcome of the gas-co-regulatory model. Developing appropriate access protocols is a significant component of that.

I recognise the merits of your recommendation to adopt a low-cost industry-led voluntary information disclosure regime given the lack of evidence of any major inefficiencies in current access arrangements that would support introducing prescriptive access protocols. I am advised that this view is based on a comprehensive survey of activity in the sector and widespread consultation with facility owners and prospective users.

I note that there is widespread industry support for the Gas Industry Company's analysis and conclusions during the consultation process and that only one party (Todd Energy) expressed strong disagreement. Notwithstanding the views of Todd Energy, I encourage the Gas Industry Company to move forward and put in place its proposed information disclosure regime. However, if universal acceptance of the scheme is not forthcoming by mid-2007, I shall expect a formal recommendation from you to regulate for the supply of this information.

I support the Gas Industry Company's proposal to maintain an ongoing watching brief of the gas processing facility sector and to reassess the need for access protocols after a period of two years and to make a further recommendation at this point.

Finally, you have brought to my attention that a number of stakeholders expressed concerns over access to liquid (oil and condensate) storage facilities and that the Gas Industry Company had no power to investigate this issue under its terms of reference. I have asked officials to undertake an initial investigation into this matter and to report back to me by 30 April 2007.

Yours sincerely

David Parker  
**MINISTER OF ENERGY**