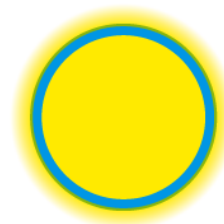


28 September 2016

Tricia Jennings  
Regulation Branch  
Commerce Commission  
PO Box 2351  
WELLINGTON 6143

**POWERCO**



Dear Tricia

**RE: Policy for setting gas pipeline price paths and quality standards from 1 October 2017**

Thank you for the opportunity to comment on the Commerce Commission's consultation paper entitled "*Default price-quality paths for gas pipeline services from 1 October 2017 - Policy for setting price paths and quality standards*".

We have reviewed in detail the submission by the Electricity Networks Association (ENA). Powerco supports the ENA submission.

As we have discussed with the Commerce Commission we have two major concerns; the first relates to the proposed expenditure forecasting approach and our second concern relates to the proposed introduction of the major interruption quality metric.

Our submission builds on the points discussed with the Commerce Commission and proposes an alternative approach to expenditure forecasting.

Thank you again for the opportunity to submit on this consultation. If you wish to discuss any of the points made, or clarify any matters, please contact Richard Fletcher, at [richard.fletcher@powerco.co.nz](mailto:richard.fletcher@powerco.co.nz), or on (04) 978 9910, in the first instance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Fletcher', is positioned below the 'Yours sincerely' text.

Richard Fletcher  
General Manager Regulation and Corporate Affairs