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Mr. Dane Gunnell Senior Analyst Regulation Branch Commerce Commission PO Box 2351 Wellington 6140

Dear Mr. Gunnell,

Please regard this letter as our submission to the Commerce Commission ("the Commission") on the Consultation paper for "Potential amendments to input methodologies for gas pipeline services for February 2013" dated 21 December 2012.

We are happy to submit that we support all the amendments proposed by the Commission.

We note, however, that the last phrase in clause 3.1.3(1)(c) for the amended definition of balancing gas is probably intended to apply to both sub-clauses. In that case it would be better to present the amended clause as follows:

A cost or credit arising from the GTB's purchase or sale of balancing gas that has not been:

- (i) allocated to a person shipping gas on the GTB's network, or
- (ii) recovered from or credited to persons having an interconnection agreement with the GTB,

subject to the requirement specified in subclause (2);

We also note that balancing gas is included in the "system management and operations opex" categories in Schedule D of the IM and that it is also included in the "service category" definition. Since balancing gas transactions are a recoverable cost, these definitions should be revised to make it clear that balancing gas transactions are not included in them.

Even though it is outside the scope of the Commission's currently proposed amendments, we would also like to ask once more for the addition of "compressor fuel costs" to recoverable costs for GTBs.

Finally, for completeness' sake, we would like to draw your attention to our submission dated 7 December 2012 (on the Initial DPP) that the definition for "consumer" for GTBs should also be amended in order to match the definition in the Information Disclosure IM for GTBs.

We have appreciated the opportunity to provide this submission. For any questions or clarifications please do not hesitate to contact us.

Yours sincerely,

General Manager, Commercial Operator

Maui Development Limited