

12 July 2012

Allan Carvell General Manager Pricing and Regulation Vector Limited Private Bag 99882 Auckland 1149

Dear Allan

Material concerning the setting and resetting of starting price

Thank you for your letter and attached reports dated 5 July 2012 concerning the setting and resetting of starting prices for default price-quality paths.

As set out in our 19 June 2012 "Process update – Default price-quality paths for electricity distribution and gas pipeline services", we intend to publish:

- our draft decisions on the potential reset of the electricity distribution default pricequality path in the week commencing 13 August 2012
- our draft decisions for the initial gas default price-quality paths in the week commencing 3 September 2012.

We will consider the material that you have provided alongside all submissions and cross-submissions that we receive on these draft decisions.

We will publish the material on our website shortly.

Yours sincerely

John Hamill

General Manager, Regulation Branch