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Genesis Energy Limited

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16 December 2016

Ian Dempster  
Gas Industry Company  
PO Box 10-646  
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Dear Ian

## Market Based Balancing Review

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Genesis Energy Limited welcomes the opportunity to provide a submission to the Gas Industry Company on the report "Market-Based Balancing Review". Our answers to the Gas Industry Company's questions are included in the attached appendix.

If you would like to discuss these matters further, please contact me on 04 830 0015.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Victoria Parker".

Victoria Parker  
Regulatory Advisor

## Appendix A: Responses to Review Questions

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QUESTION	COMMENT
Q1: Do you think our approach to the analysis is reasonable? If not, what further analysis do you think is necessary?	Yes, Genesis Energy is happy with the approach.
Q2: Do you consider that there is merit in extending the analysis so that a full year pre- and post-MBB-implementation analysis can be done?	There may be value in deferring a full year analysis until after 31/3/2017, when the effects of the ROIL reduction from 2 TJ/day to 1.5 TJ/day could be included.
Q3: Do you consider that there is merit in asking pipeline users to re-assess the costs of changing their systems and business practices to accommodate MBB (given that some stakeholders believe the original cost estimates used in the CBA were too low)?	Yes, we agree that there is merit in this.