

25 May 2011

Albert Brantley  
Chief Executive  
Genesis Energy  
PO Box 10568  
The Terrace  
WELLINGTON 6143

Dear Albert

### **Draft UTS decision**

I refer to your letter of 23 May 2011 requesting a right of reply in relation to cross-submissions received on the UTS Committee's draft decision.

The UTS Committee has carefully considered the level of consultation that it should undertake to assist it in making an appropriate decision in this matter. In doing so it has taken into account a number of factors including:

- the importance of the outcome of the UTS Committee's decision to a range of parties;
- the requirement in clause 5.5 of the Electricity Industry Participation Code (Code) that the Authority attempt to correct every undesirable trading situation, and restore the operation of the wholesale market as soon as possible; and
- the fact that Part 5 of the Code requires consultation only in relation to any action the Authority intends to take if it finds that an undesirable trading situation has developed or is likely to develop.

Having had regard to these matters the UTS Committee concluded that issuing a draft decision and receiving submissions followed by one round of cross-submissions was sufficient to inform it of the views of interested parties.

It needs to be borne in mind that the UTS Committee is supported by staff with expertise that augments the members' own expertise, so that it is not solely reliant on the content of submissions and cross-submissions in forming its views. By way of illustration, the two examples that you give in your letter both concern matters that the UTS Committee is able to assess for itself without further assistance.

However, if the UTS Committee considers that it needs further information to allow it to come to a final view, it is able to seek that information (including further submissions) if it considers that is necessary.

The UTS Committee is aware that Genesis Energy is one of a number of parties that have considerable amounts at stake in this matter. Obviously, if Genesis Energy was given the right of reply as you request, the other parties would also claim such a right. The line must be drawn somewhere so that this matter can be brought to a conclusion.

Having said that, the Authority is always receptive to correspondence from interested parties on any matter relating to the Authority's functions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carl Hansen', written in a cursive style.

Carl Hansen  
**Chief Executive**