

Lisa Dhanji
Tel: 04 495 6915
Fax: 04 498 2671

Transpower House, 96 The Terrace,
PO Box 1021, Wellington,
New Zealand
Telephone +64-4-495 7000
Facsimile: +64-4-495 7100
www.transpower.co.nz

27 May 2009

Laurie Counsell
Adviser Wholesale
Electricity Commission
PO Box 10041
Wellington

Dear Laurie

This submission responds to your email dated 22 May 2009 regarding the events surrounding the high spring washer prices in TP 16 on 19 May 2009.

I have put together a sequence of events below to answer most of your questions.

1. Sequence of Events on 19 May 2009

- 1.1. On 19 May 2009, there was a planned outage of the Bunnythorpe Tokaanu circuit 1 (BPE_TKU1). This outage had started at 0730 on the 18th May, and was planned to continue until 1859 on the 20th May.
- 1.2. During the early hours of the 19th May, a fault was found on the HVDC that needed repair. The HVDC was subsequently removed from service shortly before 0300 hours on the 19th May.
- 1.3. As a result of the HVDC outage the Wellington area load was supplied from north of Wellington, rather than via the HVDC.
- 1.4. This resulted in Wellington loading issues during the morning, so a decision was made to recall the BPE_TKU1 outage.
- 1.5. At 0620 the Grid Owner made a change to offer for the return to service of the BPE_TKU1 circuit from 0800 hours.
- 1.6. As a result of the morning peak loads in the Wellington area, the BPE_TKU_1_W_O_4Aof5_z constraint bound during the 0730 trading period.
- 1.7. This constraint takes flows from the BPE_TKU2.1 and RPO_TNG1.1 circuits and constrains them to protect the BPE_TKU2 circuit from overloading in case of a tripping of the RPO_TNG circuit.
- 1.8. The System Operator monitored the situation and re-rated this constraint during the 0730 trading period in accordance with standard procedures.

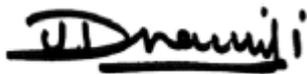
- 1.9. The BPE_TKU1 circuit was returned to service at 0758.
- 1.10. On the 20th May a metering situation occurred with the final pricing run. This metering situation was resolved at 1130, after provisional prices had been published. At 1213 a high spring washer price situation was declared for Trading Period 16. The only constraint binding during this trading period was the BPE_TKU_1_W_O_4Aof5_z constraint.
- 1.11. The System Operator applied the changes required under the HSWPS methodology set out in the rules.
- 1.12. After applying the high spring washer price relaxation factor, over the lower North Island were around \$6,000.

2. Modelling Data for Lower North Island Circuits

- 2.1. To verify the resistances and reactances of all Lower North Island circuits would be a significant exercise and would take considerable time to complete. Therefore, as requested, we have verified the modelling data only for key 220kV circuits from Tokaanu to Haywards. The modelled data for all these circuits are in accordance with the latest Grid Owner offers.

If you wish to discuss any aspect of this letter please do not hesitate to contact me.

Yours sincerely



Lisa Dhanji
Market Services Manager