



**TRANSPOWER**

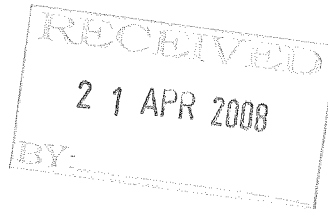
*Keeping the energy flowing*

Transpower House  
96 The Terrace  
PO Box 1021  
Wellington 6140  
New Zealand  
P 64 4 495 7000  
F 64 4 495 7100  
[www.transpower.co.nz](http://www.transpower.co.nz)

Len Gould  
Tel: 04 495 7023  
Fax: 04 495 7004  
[len.gould@transpower.co.nz](mailto:len.gould@transpower.co.nz)

17 April 2009

John Gleadow  
Director Transmission  
Electricity Commission  
PO Box 10041  
Wellington



Dear John

**Part F, S. III, Rule 8 and Bells Pond GXP proposed investment**

Transpower proposes to enter into an Investment Contract with Alpine Energy to establish a new Grid Exit Point at Bells Pond (proposed investment). Rule 8 of Section III of Part F contains obligations on Transpower in relation to Investment Contracts which have implications for Grid Reliability Standards (GRS).

In summary:

- **Rule 8.2: Implications for the GRS:** The proposed investment will improve reliability and reduce unserved energy. Therefore, there are GRS implications and rules 8.2.1 and 8.2.2 apply.
- **Rule 8.2.1: Consistency with the GRS and effect on reliability:** Economic analysis demonstrates that the proposed investment has a net benefit compared to the status quo. Therefore, the proposed investment meets the requirements of the GRS and will increase reliability.
- **Rule 8.2.2: Transpower notifies the EC Board:** Transpower is notifying the EC Board of the proposed Investment Contract because the proposed investment is consistent with the GRS and reliability is not decreased.

In accordance with Rule 8.2, this letter constitutes Transpower's formal notification to the EC Board of the proposed Investment Contract.

Yours sincerely

Len Gould  
Customer Services Manager, Grid Development