



**TRANSPOWER**

*Keeping the energy flowing*

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John Gleadow  
Director Transmission  
Electricity Commission  
PO Box 10041  
WELLINGTON



Dear John,

**Part F, S. III, Rule 8 and Tauranga 110/33 kV Supply Transformer Proposed Investment**

Transpower proposes to enter into an Investment Contract with Powerco Limited to install a new 110/33 kV supply transformer at Tauranga (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