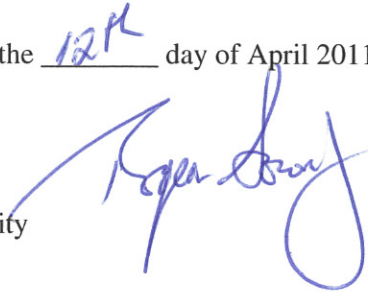


**Electricity Industry Participation (Transmission Pricing)
Code Amendment 2011**


Pursuant to section 38 of the Electricity Industry Act 2010, I make the following amendments to the Electricity Industry Participation Code 2010.


At Wellington on the 12th day of April 2011

Hon Roger Sowry
Member
Electricity Authority



Certified in order for signature:


Andrew Springett
Senior Legal Counsel
Electricity Authority
8 April 2011


Paul Foley
Partner
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8 April 2011

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1 Title

This Amendment is the Electricity Industry Participation (Transmission Pricing) Code Amendment 2011.

2 Commencement

This Amendment comes into force on 1 June 2011.

3 Principal Code amended

This Amendment amends the Electricity Industry Participation Code 2010.

4 Purpose for establishing transmission pricing methodology

Clause 12.78 is amended by omitting the words “the principles set out in clause 12.79” and substituting the words “the **Authority’s** objective in section 15 of the **Act**”.

5 New clause 12.79 substituted

Clause 12.79 is revoked and the following clause substituted:

“12.79 Statutory objective

Transpower, in developing the **transmission pricing methodology**, and the **Authority**, in approving the **transmission pricing methodology**, must assess the **transmission pricing methodology** against the **Authority’s** objective in section 15 of the **Act**.”

6 Clause 12.80 revoked

Clause 12.80 is revoked.

7 New clause 12.81 substituted

Clause 12.81 is revoked and the following clause substituted:

“12.81 Authority must prepare an issues paper

“(1) The **Authority** must prepare an issues paper on—

“(a) the process for development and approval of the **transmission pricing methodology**; and

“(b) the guidelines to be followed by **Transpower** in preparing a methodology for allocating **Transpower’s** revenues to **designated transmission customers**.

- “(2) The process and guidelines must be developed in accordance with the **Authority’s** objective in section 15 of the **Act**.”

8 Authority must publish process for development of transmission pricing methodology

- (1) The heading to clause 12.83 is amended by omitting “process” and substituting “process and guidelines”.
- (2) Clause 12.83(b) is amended by omitting “Transpower” and substituting “**Transpower**”.

9 Heading above clause 12.85 amended

The heading above clause 12.85 is amended by omitting “price” and substituting “pricing”.

10 Form of proposed transmission pricing methodology

Clause 12.89 is amended by revoking paragraph (b) and substituting the following paragraph:

- “(b) the **Authority’s** objective in section 15 of the **Act**; and”.

Explanatory Note

This note is not part of the Code Amendment, but is intended to indicate its general effect.

This amendment to the Electricity Industry Participant Code 2010 comes into effect on 1 June 2011. This amendment removes the transmission pricing principles and the associated interpretation provision from the Electricity Industry Participation Code 2010 (“Code”) by repealing clause 12.80, amending clauses 12.79 and 12.81, and by making other consequential and minor amendments to subpart 4 of part 12 of the Code.

Under the amended subpart, Transpower, in developing the transmission pricing methodology, and the Authority, in approving the transmission pricing methodology, must assess the transmission pricing methodology against the Authority’s statutory objective in section 15 of the Electricity Industry Act 2010.