

Level 7, ASB Bank Tower, 2 Hunter Street, PO Box 10041, Wellington, New Zealand

31 January 2007

Media Release

Electricity Commission Publishes Notice of Intention to Approve the Upper North Island Transmission Proposal

The Electricity Commission has announced that it intends to approve a suite of measures proposed by Transpower that are designed to improve the reliability of electricity supply into Auckland and onto Northland. The centre-piece of Transpower's proposals is a 400 kilovolt transmission line between Whakamaru, near Tokoroa, and Pakuranga in Auckland. The line will operate initially at 220 kilovolts.

The decision is by majority. Commission Deputy Chair, Peter Harris, said that although the intention to approve the upgrade was not unanimous, most elements of it were.

"The Commission wishes to draw attention to the facts that:

- There is agreement between Commissioners, and between the Commission and Transpower, that maintaining a reliable supply of electricity into and through Auckland requires a substantial upgrade of the transmission grid from South Waikato to Auckland.
- Most of the elements of the proposed upgrade are agreed and are not considered controversial.
- Substantial improvements in reliability, flexibility, and benefits have already been captured as a result of the review process that was undertaken since an original proposal was submitted in September 2005."

"To date, the approval process has generated real, lasting, and major net national benefits." Mr Harris said.

The rules that govern transmission investment proposals allow certain parties to request that a public conference be held before the Commission finalises any decision. Mr Harris says "We expect to get a request to hold a conference and intend to agree to such a request. We will invite submissions from interested parties as part of the conference process and we will encourage all interested parties to let us know their views, even if they do not intend to participate in or present at the eventual conference."

The Commission will release a detailed statement of reasons for its decision in mid-February, and will hold briefing sessions during the remainder of that month to explain the reasons for the decision. These briefing sessions will be of both a general and a technical nature, for the various parties with an interest in the outcome. The opportunity for making written submissions will run until about late March and a public conference will be held in late April or early May, assuming that one is requested. Precise dates will be advised when the necessary logistical arrangements have been finalised.

Mr Harris stressed that the authority of the Commission, and this decision, did not intrude into Resource Management Act processes.

Because there are various procedures that need to be followed under the Electricity Governance Rules, the Commission will not engage in any discussion or debate about the substance of the decision outside of those formal processes. It has prepared and is publishing alongside this statement, a note that explains key aspects of the context within which the decision was made, as well as the decision itself.

The Commission will answer questions of clarification and of process at a media conference to be held at 3.15pm on Wednesday, 31 January 2007 at the Commission's offices, Level 7, ASB Bank Tower, 2 Hunter Street, Wellington.

Further details can be found on the Commission's website:

<http://www.electricitycommission.govt.nz/opdev/transmis/auckgridinvest/Decision/view>

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