

## ELECTRICITY GOVERNANCE RULES 2003

### 2007 GRID UPGRADE PLAN

#### REVISED NORTH AUCKLAND AND NORTHLAND PROPOSALS

On 21 September 2007, Transpower New Zealand Limited submitted to the Electricity Commission a new grid upgrade plan (**2007 GUP**) under clause 12 of section III of part F of the Electricity Governance Rules 2003.

The 2007 GUP includes two proposals relating to investments in North Auckland and Northland.

The first proposal (**NAaN proposal 1**) has been submitted as a reliability investment and includes the installation of a 220kV cross harbour cable connection between Penrose and Albany substations, and the reinforcement of Penrose substation from Pakuranga substation.

The second proposal (**NAaN proposal 2**) has also been submitted as a reliability investment, and involves Transpower securing rights to preserve the option to install a second cable.

The Commission consulted on the NAaN proposal 1 and 2 in September and October 2007.

On 9 May 2008, Transpower submitted revised versions of the NAaN proposal 1 and 2 (**NAaN revised proposals**).

The main changes to the original proposals are:

- the amount for which approval is sought has increased from \$515 million to \$577 million (in \$2013) for proposal 1;
- the amount for which approval is sought for proposal 2 has increased from \$6.2 million to \$12.9 million (in \$2009);
- Transpower advises that the technical need date for proposal 1 is 2016 but is seeking approval for a 2013 commissioning date;
- Transpower's proposal 1 anticipates using the Vector tunnel between Penrose and Hobson substations as opposed to the road route option even though the costs are greater;
- additional works have also been included, notably a new 220/110kV transformer at Penrose which will resolve an issue created by the North Island Grid Upgrade project; and

- Transpower provided further analysis of the non-transmission option (generation at Rodney).

The Electricity Commission has published both proposals on its website  
<http://www.electricitycommission.govt.nz/opdev/transmis/gup/naan>

In light of the changes to the proposals, the Commission considers that it is desirable to provide a further opportunity for comments on the proposals. Accordingly, under rule 13.3.2 and rule 13.3.5 of section III of part F of the Electricity Governance Rules 2003, the Electricity Commission gives notice that it is providing designated transmission customers and affected parties with an opportunity to:

- a) provide written comments on revised NAaN proposal 1 and revised NAaN proposal 2; and
- b) request that the Commission consider alternatives to revised NAaN proposal 1, and alternatives to revised NAaN proposal 2.

Comments and/or requests must be received by the Electricity Commission by **5.00 pm on Thursday 5 June 2008**.

**Please note that comments and/or requests received after this deadline are unlikely to be considered.**

Further details of how designated transmission customers and affected parties can provide their input, can be found at

[www.electricitycommission.govt.nz/consultation/revised-NAaN](http://www.electricitycommission.govt.nz/consultation/revised-NAaN)

Dated at Wellington this 14<sup>th</sup> day of May 2008.



**DAVID GAYGILL**  
Chair  
Electricity Commission