



**TRANSPOWER**

*Keeping the energy flowing*

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Mervyn English  
General Manager  
Electricity Commission

Dear Mervyn

### **Recovery of overspend on approved projects**

As discussed with you staff in early April, Transpower wishes to apply to the Electricity Commission under Rule 17.2 of part F, section III to recover costs associated with overspend on a series of projects that have been approved by the Electricity Commission under the earlier transitional provisions for Grid Expenditure.

Details of the projects and the reasons for the overspend are attached to this letter. The total amount of cost that Transpower is seeking to recover for these projects is \$ 8,975,566.

Transpower has put in place processes to signal the possibility of overspend on approved projects and we expect to be able to provide advance notice of the risk of overspend in the future. This application does not include the Bunnythorpe – Haywards tactical upgrade project, or the strategic property purchase costs. We will address those under a separate cover.

Please do not hesitate to contact me should you wish to discuss this in more detail.

Yours sincerely

John Clarke  
Acting GM Grid Development