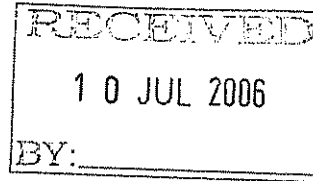




cc: JW
RH



3 July 2006

Mervyn English
General Manager
Electricity Commission
PO Box 10041
WELLINGTON

Tena koe e Mervyn,

RAUKAWA TRUST BOARD SUBMISSION ON THE ELECTRICITY COMMISSION'S DRAFT DECISION

Further to our submission of 15 February 2006, the Raukawa Trust Board (the Board) wishes to write in support of the Electricity Commission's (the Commission) draft decision to decline Transpower's proposed 400Kv Grid Upgrade.

The Board supports the Commission's recommendation to upgrade alternative current infrastructure to secure power supply to Auckland whilst investigating other transmission options.

The Board wishes to remain neutral on the proposition to acquire a corridor through the Waikato to South Auckland in advance of new transmission. The Board believes that this proposition is premature, and more research, investigation and consultation needs to be completed before informed comment on this proposal can be made.

The Board also reiterates comments made in our earlier submission relating to the following issues. Specifically, the Board.

- supports the Grid Investment Test, but not so far as it being used as the sole method for analysis. Our earlier statements outlining the holistic nature of the electricity market, supply and its resultant effects need to be dealt with in an integrated manner.
- supports investigation into alternative generation options closer to the Auckland Region. We also strongly advise the use of renewable energy resources as a sound future proofing decision.

- encourages the Commission to complete its work on analysis of industry demand as part of a wider strategy to reduce or influence the demand side of the electricity market before major investment is committed.
- encourages the Commission to continue taking into consideration inter-generational issues in terms of net benefits and costs and the timeliness of investment.

The Board is concerned that recent power outages suffered in Auckland, that have occurred as a result of Transpower's lack of investment in maintenance on the whole system has resulted in increased political and community pressure to invest in new transmission upgrades. This knee-jerk reaction is not advisable in relation to issues of important national investment decision-making.

We urge the Commission to continue with its considered decision-making, its commitment to genuine communication and consultation and to adhere to its important role as the market regulator.

We look forward to further communication with the Commission on these matters.

Heoi ano,
RAUKAWA TRUST BOARD



John Edmonds
Chairman