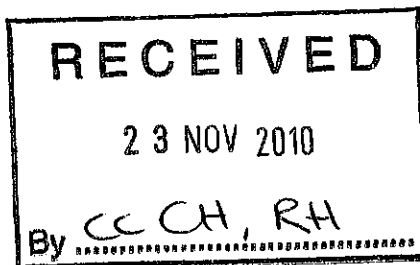


TRANSPOWER

Keeping the energy flowing

18 November 2010

Dr Brent Layton
Chair
Electricity Authority
PO Box 10041
WELLINGTON



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Dear Dr Layton

VERIFICATION OF TRANSPOWER'S TRANSMISSION PRICES (2011/12)

This statement is provided to you as chair of the body responsible for ensuring consistency with the Transmission Pricing Methodology and is given pursuant to clause 12.96(b) of the Electricity Industry Participation Code 2010.

To the best of the Directors' knowledge and belief, the Directors are satisfied that:

- a) The Transmission prices for the pricing year 2011/12 year are consistent with the Transmission Pricing Methodology prescribed in the Electricity Industry Participation Code 2010
- b) The processes for ensuring consistency and calculation are robust; and
- c) The design and implementation, and reporting of the outcome, of the internal audit, are in accordance with the best practice.

Yours sincerely

Director

19 / 11 / 2010

Director

19 / 11 / 2010