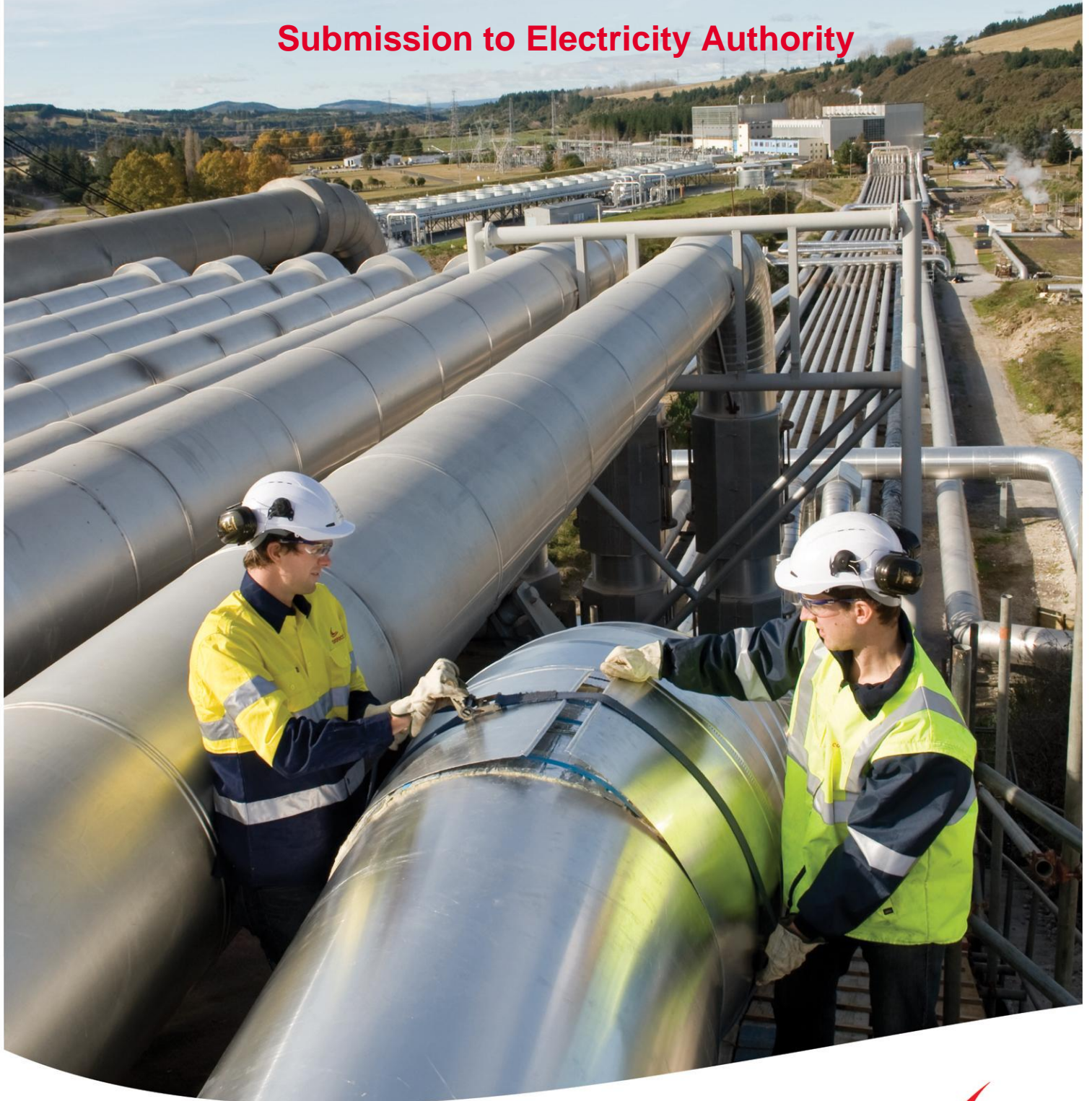


# Decision making and economic framework for transmission pricing methodology review – Cross Submission

Submission to Electricity Authority



This submission by Contact Energy Limited (**Contact**) responds to the opportunity provided by the Electricity Authority (**EA**) to make cross submissions on the submissions published by the EA on its website on 27 February (**Submissions**). The Submissions provide feedback on the EA's proposed "Decision-making and economic framework for the Transmission Pricing Methodology Review".

For any questions relating to our submission, please contact:

**Catherine Thompson | Regulatory Affairs Manager**

**Contact Energy | DDI: 64-4 462 1130 • Mobile: 0274 399 676**

Contact acknowledges the Submissions and notes that there is nothing in the Submissions that causes Contact to alter the position set out in Contact's submission to the EA of 24 February.

Contact reiterates its views that changes to the Transmission Pricing Methodology (**TPM**) should be on the basis of clearly demonstrated efficiency gains acknowledging the extent of transmission investment that is already committed as well as being workable in what is an already complex environment.

Contact submits that proper application of the decision making and economic framework summarised in the EA's consultation paper would lead to the conclusion that interconnection and/or HVDC cost allocation should be based on postage stamp transition, incorporating a transitional, incentive-free allocation to existing South Island generators.

Contact submits that this conclusion is consistent with achieving the statutory objective of the EA. A durable and stable TPM, free of ongoing controversy, offers the best outcome for the overall efficiency of the electricity industry for the long term benefit of electricity consumers.

Please note Contact's concern that only providing 2 weeks to submit cross submissions has significantly constrained the consultation process. In a number of cases the submissions are lengthy and deserve to be fully analysed. Failure to provide this opportunity is concerning.