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28 September 2012

Ross Hill
General Manager
Legal and Compliance
Electricity Authority
PO Box 10 041
Wellington 6143

Dear Ross

RTANZ and NZAS Annual Wash-up Notification 2011/2012

Pursuant to clause 16.7 of the Electricity Industry Participation Code (the *Code*), Rio Tinto Alcan (New Zealand) Limited (*RTANZ*) and New Zealand Aluminium Smelters Limited (*NZAS*), each of which is a Rio Tinto Party (as defined in the *Code*), hereby notify the Electricity Authority that during the 2011/2012 financial year:

- a) the following acts or omissions occurred that may have been a breach of clause 7.2 or 7.11, or of Parts 8, 12 or 13 of the *Code*, but for Part 16:
 - NZAS was unable to ensure its assets were capable of operating, and do operate, within the voltage range of 198 kV – 242kV prescribed under Part 8 of the *Code*;
 - the Grid Owner has not installed Automatic Under-Frequency Load Shedding at Tiwai Grid Exit Point; and
- b) neither RTANZ or NZAS advised the Electricity Authority of any anticipated frequent breaches under clause 16.6(2)(b) of the *Code*.

RTANZ and NZAS also note that, whilst not a breach of the *Code*, the frequency range specified in clause 7.2 of the *Code* of between 49.8Hz – 50.2Hz is narrower than the range provided for in the Rio Tinto agreements (under the *Code*).

Yours sincerely



Ray Deacon
Director