

23 June 2016

Andre Botha
Chief Networks Officer
Vector Limited
PO Box 99882
Newmarket
Auckland 1149

By Email

Dear Mr Botha

Request for extension for Transmission Pricing Methodology (TPM) submission

Thank you for your letter dated 21 June 2016 seeking an extension to the consultation period for the Transmission Pricing Methodology (TPM) second issues paper.

We have considered your request and decided not to grant any extension.

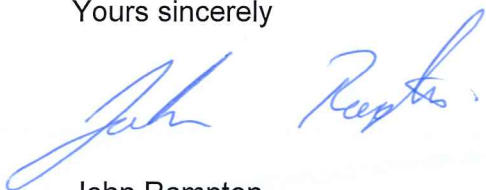
The TPM second issues paper was released on 17 May 2016 with a deadline for submissions of 26 July 2016. This is an extended consultation period of ten weeks, and was set to account for a number of factors, including those raised in your letter. This period is considerably longer than that outlined in the Electricity Authority's (Authority's) consultation charter, which states that a period of six weeks will usually be allowed for consultation with interested parties.

We consider that ten weeks is enough time for all interested parties to understand our proposal and prepare high-quality submissions.

In your letter, you said you would also like to have more detail on the modelling and assumptions used to ascertain beneficiaries for the area-of-benefit charge. As you will be aware, we provided detail about the indicative modelling of the charges under the Authority's proposal in Appendix B of the TPM second issues paper. This appendix sets out the assumptions used to model the area-of-benefit charge. As you may also be aware, further detail about the Authority's indicative modelling and results is available at the following web page: http://www.emi.ea.govt.nz/Datasets/Browse?parentDirectory=%2FDatasets%2FSupplementary%2F2016%2F20160517_TPM_second_issues_paper%2F. In addition, we would be happy to arrange to meet with you to discuss the approach to the indicative modelling of the charges. Please let us know if you would like to do this.

I appreciate Vector's engagement in this process and I look forward to receiving your submission.

Yours sincerely



John Rampton

General Manager Market Design