



TRANSPOWER

Ross Parry
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15 November 2012

Dr Brent Layton
Chair
Electricity Authority
PO Box 10041
WELINGTON

Dear Dr Layton

Verification of Transpower's transmission prices for 2013/14

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, Transpower's directors are satisfied that:

- a) the transmission prices for the 2013/14 pricing year have been calculated in accordance with the transmission pricing methodology prescribed in Schedule 12.4 to Part 12 of the Electricity Industry Participation Code 2010;
- b) the processes for ensuring consistency and calculation are robust;
- c) the design and implementation, and the reporting of the outcome, of the internal audit are in accordance with best practice.

Yours sincerely







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Sue Begg
Deputy Chair
Commerce Commission
PO Box 2351
WELINGTON 6140

Dear Sue

Directors' Certification – Price Path

We, *Michael Pohio*

and *Ian Fraser*,

being directors of Transpower New Zealand Limited (Transpower), certify that, having made all reasonable enquiries, to the best of our knowledge and belief, the attached schedule of forecast revenues applied in the Transpower transmission pricing methodology under the Electricity Industry Participation Code for the pricing year commencing 1 April 2012 complies with the requirements of the Commerce Act (Transpower Individual Price-Quality Path) Determination 2010.

Yours sincerely

Schedule of forecast revenues applied to the transmission pricing methodology under the Electricity Industry Participation Code 2010 for the pricing year commencing 1 April 2013

\$million	2012/13 pricing year		
	HVAC	HVDC	Total
Approved maximum allowable revenue	713.7	160.5	874.3
Pass through and recoverable wash up	(11.5)	(0.7)	(12.3)
Pass through costs	12.7	0.3	13.0
Recoverable costs	0.8	2.4	3.2
Total forecast revenue applied to the TPM	715.8	162.5	878.3