

17 December 2009

Dr Patrick Strange
Chief Executive Officer
Transpower New Zealand Limited
PO Box 1021
WELLINGTON

Dear Patrick

Audit of Transpower's Transmission Prices for the 2010/2011 pricing year

Thank you for the directors' compliance statement and the independent assurance report by PriceWaterhouseCoopers received on 26 November 2009.

The Commission intends to publish these documents on its website as has been done previously.

At its December 2009 Board meeting, the Commission decided not to undertake an audit of Transpower's transmission prices at this time. The Commission is satisfied that the independent assurance report demonstrates that Transpower's prices are consistent with the Transmission Pricing Methodology. However, the Commission may carry out an audit in the future if there are material customer concerns about transmission prices.

The Commission also appreciates receiving the spreadsheet showing the approved projects included in Transpower's 2010/11 revenue requirement.

Yours sincerely



David Caygill
Chair