



MAJOR ELECTRICITY USERS' GROUP

21 September 2007

Dr Ralph Craven
Chief Executive
Transpower New Zealand Limited

Delivered by email to ralph.craven@transpower.co.nz

Dear Ralph

Request for information in relation to advice to the market that HVDC Pole 1 is to be prematurely withdrawn from service

1. On Wednesday 19th September Transpower advised the market at 1:32 pm by a Customer Advice Notice (CAN) that HVDC transfer on pole 1 for southwards transfer would cease to be offered from 11 pm that evening. Today Transpower issued a further CAN at 11:49 am advising northward transfer of pole 1 will also cease to be offered from 10 pm tonight.
2. Transpower's advice to the market in preparing a Grid Upgrade Plan (GUP) seeking approval for replacement of pole 1 has consistently stated a planned pole 1 retirement and replacement date of 2012. Therefore the announcement of the premature retirement of pole 1 is completely unexpected. Such a change is likely to have important effects on ancillary service provision and spot prices in both Islands.
3. To assist our understanding of the rationale behind these decisions MEUG request all material considered by the Board of Transpower in relation to the decisions announced this week to withdraw pole 1 from service. This includes, but is not limited to:
 - a) All Board papers from Transpower staff in relation to a possible risk that pole 1 would be retired before that indicated in the current GUP preparation consultation process of 2012.
 - b) All relevant reports by external consultants including, but not limited to the report by Marsh referred to in the CAN today.
 - c) Any correspondence from and to other parties in relation to the possibility of such an unexpectedly early retirement of pole 1. "Correspondence" has a wider meaning in terms of not just letters or reports but also briefings or meetings. Those other parties include Ministers, government departments, the Electricity Commission and any Market Participant.

4. This request is made pursuant to the Official Information Act. A copy of this request will be published on the MEUG web site on Monday.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. Matthes', written over a thin red vertical line.

Ralph Matthes
Executive Director

cc Minister of Energy
 Minister for State Owned Enterprises
 Electricity Commission
 Supplier CEOs