

30 October 2013

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

Dear Patrick

Transpower forecast MAR update for 2014/15

I am writing to inform you of the Commission's determination of the update of Transpower's forecast MAR for the 2014/15 pricing year.

The Commission's determination is in accordance with the draft update provided by Transpower as required in the individual price-quality path determination (IPP determination).

We reviewed the draft updated forecast MAR calculations provided by Transpower and have made the following updates to the forecast MAR:

	Forecast MAR 2014/15
Forecast MAR determined by on 31 October 2012	\$959.7 million
Transpower's draft calculation of the update to the forecast MAR in accordance with the IPP determination	-\$25.1 million
Draft updated forecast MAR	\$934.6 million
Updated forecast MAR determined by the Commission on 30 October 2013	\$934.6 million

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The Commission's determination will be published in the New Zealand Gazette as an amendment to clause 3.3(1) and Schedule F of the IPP determination.

We have published Transpower's 2012/13 Annual Regulatory Report on our web site, including Transpower's certification of the draft calculations. We will now publish a summary of the forecast MAR update calculation and EV account calculations.

I would like to compliment you and the rest of your team once again on the high quality of your 2012/13 Annual Regulatory Report.

I would also like to thank you and your staff for the prompt and efficient way the MAR wash-up for 2012/13 and the update of the 2014/15 forecast MAR has been handled.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Sue Begg', is positioned above the typed name.

Sue Begg
Deputy Chair
Commerce Commission