

31 October 2012

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

Dear Patrick

Transpower forecast MAR update for 2013/14 and 2014/15

I am writing to inform you of the Commission's determination of the update of Transpower's forecast MAR for the 2013/14 and 2014/15 pricing years.

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 2013/14	Forecast MAR 2014/15
Forecast MAR determined by on 1 November 2011	\$906.4 million	\$958.9 million
Transpower's draft calculation of the update to the forecast MAR in accordance with the IPP determination	\$(32.1) million	\$0.8 million
Draft updated forecast MAR	\$874.3 million	\$959.7 million
Updated forecast MAR determined by the Commission on 31 October 2012	\$874.3 million	\$959.7 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 2011/12 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 on the high quality of your 2011/12 Annual Regulatory Report. We appreciated the effort you have made to package the compliance information into a more accessible form for the Commission and consumers.

I would also like to thank you and your staff for the prompt and efficient way the MAR washup for 2011/12 and the update of the 2013/14 and 2014/15 forecast MAR has been handled.

Yours sincerely



Sue Begg
Deputy Chair
Commerce Commission