



TRANSPOWER

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Brett Woods
Senior Analyst
Regulation Branch
Commerce Commission
Wellington

By email: regulation.branch@com.com.govt.nz

Dear Brett

Transpower asset health measures cross submission

We appreciate the opportunity to comment on the drafting in the IPP regulation for our proposed asset health measures.

We consider the drafting accurately conveys the means by which we evaluate our performance against the asset health measures. We understand that Commission has decided to exercise its discretion to ensure that we do not earn a net benefit across the suite of our proposed asset health measures, and that this discretion will be made via the 'm' term in the grid output adjustment (Schedule B3 of the Capex IM). We have no concerns with this approach.

One minor point is that the drafting for measures AHM1, AHM4, and AHM5 unnecessarily provides for the manner in which 'difference' will be calculated because the term is already explicit about the nature of the calculation required.

Please let me know if you have any questions or would like to discuss any of the points made in this submission.

Yours sincerely

Jeremy Cain
Regulatory Affairs Manager