

*Michele Wilkinson  
Tel: 04 494 6718  
Fax: 04 494 7448  
DX: SR56047*

Transpower House  
96 The Terrace  
PO Box 1021  
Wellington 6140  
New Zealand  
P 64 4 495 7000  
F 64 4 495 7100  
[www.transpower.co.nz](http://www.transpower.co.nz)

18 July 2011

Ross Hill  
General Counsel  
Electricity Authority  
PO Box 10041  
Wellington

Dear Ross

## Summary of Rio Tinto Agreements

This is Transpower's submission on the draft summary of Rio Tinto Agreements provided to Transpower by the Electricity Authority on 20 June 2011. As a preliminary point, the Electricity Authority should note that Transpower is familiar only with the Tiwai Point Connection Contract (TPCC) between Transpower and Meridian. Transpower has not seen and has no familiarity with the other Rio Tinto agreements.

1. Transpower accepts, and agrees with the statement in paragraph 5(d), that the summary is the Electricity Authority's summary and should not be taken as reflecting the views of any Rio Tinto party.
2. On 7 February 2008, Meridian notified Transpower pursuant to clause 12.1 of the TPCC of termination of the TPCC effective 31 December 2012.
3. The most recent Supplementary Agreement is the 12<sup>th</sup> which provided for an Operative Notice to be given if Meridian wished the maximum demand entitlement under the TPCC to be greater than the 553.75 megawatts (but less than 610 megawatts). The most recent Operative Notice expired on 31 March 2009.
4. In relation to the Electricity Authority's question in paragraph 69 (regarding maintaining voltage within the range of 213 – 228 kV that may necessitate Transpower not complying with its obligations in Part 12 regarding grid configuration and making assets available), Transpower advises that because the AOPOs provide for a greater voltage range than that applying at the smelter, Transpower should be able to comply with those Part 12 obligations.

5. In relation to the Electricity Authority's questions in paragraphs 75(j) and 76 (regarding whether Transpower's "continuous supply" and its "design and construction" obligations under the TPCC affect its obligations under Part 12 to keep the grid in the configuration set out in the interconnection asset capacity and grid configuration specified under clause 12.109 of the Code and the TPCC), Transpower advises:

- the assets under the TPCC are connection assets, so those Part 12 obligations do not apply to those assets;
- The four transmission lines going into Tiwai Point are interconnection assets, but it is unlikely that Transpower would be unable to meet its obligations under clause 12.109 by virtue of its obligations to Meridian under the TPCC as the TPCC obligations would generally require compliance with a higher, rather than lower, standard.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Wilkinson', with a small horizontal line above the end of the signature.

Michele Wilkinson  
Senior Legal Counsel