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Legal Assurance Letter – Assumptions Book update

1. Under the transmission pricing methodology (**TPM**), Transpower is required to publish an assumptions book and may from time to time publish updates to the assumptions book (clause 38(1)). The assumptions book contains the assumptions and detailed methodologies that Transpower intends to apply for allocating and adjusting benefit-based charges (clause 3).
2. Transpower has updated the current assumptions book (version 1.1), resulting in a new version of the document (version 1.2). As explained in the decision paper relating to these updates, Transpower considers the changes to the assumptions book to be very minor in the context of the assumptions book as a whole. We are in agreement with this statement.
3. The TPM requires Transpower to consult on updates to the assumptions book subject to certain exceptions (clauses 38(3) and (4)). Transpower was not required to consult on these particular updates, as all of the updates were covered by exceptions in clause 38(4), as follows:
 - (a) the updates are technical and non-controversial; and/or
 - (b) the updates reflect customer-specific adjustment events, each of which Transpower consulted on at the relevant time with the relevant customer. Therefore, there has been adequate prior consultation on the update so that all relevant views of customers have been considered.

Scope of our review

4. Our task has been to review the amendments in the proposed version 1.2 of the assumptions book and the accompanying decision paper (**Reviewed Documents**) to check for compliance with the TPM. As part of our review, we also suggested amendments relating to minor typographical and footnoting errors.
5. As agreed with Transpower, we did not review the appendices (A to E), which form part of the assumptions book.

Assurance

6. In our opinion, and subject to the qualifications and limitations noted below, the changes made to the assumptions book, as explained in the decision paper, comply with the TPM.
7. Our assurance is subject to the following:
 - (a) our opinion is based on the information made available to us by Transpower, in particular, the information set out in the Reviewed Documents; and
 - (b) we do not have a view on the technical, economic, engineering or modelling aspects of the Reviewed Documents, as this is outside our role and expertise.
8. Transpower may intend to publish this letter when publishing the Reviewed Documents. Any such publication of this letter is not intended to waive privilege in any advice we have provided to Transpower relating to the Reviewed Documents.
9. Please let me know if you have any questions about this letter or the compliance of the Reviewed Documents with the TPM.

Yours faithfully
SIMPSON GRIERSON



Amanda Stephenson
Senior Associate