TRANSPOWER

Reassignment practice manual

Version: 1.1

Date: 19 November 2026



Version history

Version	Published	Key amendments compared to previous version
1	1 February 2023	n/a
1.1	X September 2026	Updated to reflect updated reassignment threshold, application fees and eligibility for reassignment.

Contents

1 Purpose of this document 4

2 Background 5

3 Process 8

4 Application requirements 10

5 Application fee 11

Schematic of reassignment application process 13

Appendix 1: Reassignment application requirements 14

Appendix 2: Glossary 17

Appendix 3: Eligibility for reassignment 20

Appendix 4:

1 Purpose of this document

1. This is the reassignment practice manual under the transmission pricing methodology (**TPM**). All clause references in this manual are to clauses of the TPM, unless stated otherwise.
2. This manual is intended to be a living document, updated as Transpower and its stakeholders build up experience with reassignment applications. The first edition of this manual is limited to process matters and reassignment concepts.
3. This manual also contains the reassignment application requirements and application fee.
4. This manual is not binding on Transpower or any independent expert.
5. Appendix 3 contains a glossary of key reassignment-related terms.
6. Reassignment is covered in Part G of the TPM. This manual should be read in conjunction with the clauses in that Part.

2 Background

7. Reassignment reduces the benefit-based charges (**BBCs**) for an eligible benefit-based investment (**BBI**) that turns out to be "over-sized", despite being an efficient and prudent investment at the time it was made.

8. Reassignment is so called because the effect of it is to reassign costs that would otherwise be recovered through BBCs to residual revenue, which is recovered from load customers through residual charges.

9. Transpower does not proactively reassign eligible BBIs. An eligible person must apply for reassignment for an eligible BBI, and the application must be successful, before the BBI will be reassigned. Transpower may proactively reverse a reassignment (fully or partially).

10. An eligible BBI that is already subject to a reassignment may be further reassigned.

2.1 Eligible persons

11. An eligible person (i.e., a person who may apply for reassignment) is:

- a beneficiary of the eligible BBI to which the application relates (i.e., a customer who pays a BBC for it), or
- a person who owns or controls plant embedded behind the grid-connected network or plant of a beneficiary of the BBI.

2.2 Eligible BBIs

12. An eligible BBI (i.e., a BBI eligible for reassignment) is a BBI:

- whose value is at least the reassignment threshold at the end of the most recent complete financial year, as assessed by reference to the closing regulatory asset base (**RAB**) value of all assets comprised in the BBI. The reassignment threshold is $5,707,349.37 for pricing year 2026/27. The reassignment threshold is indexed to changes in the Consumer Price Index, and is updated annually and published on Transpower's website, and
- for a post-2019 BBI:
  - that is at least 10 years old (i.e., at least 10 years have passed since the BBI's commissioning date), or
  - is a BBI in respect of which there has been a significant disconnection event. A significant disconnection event for a post-2019 BBI is the disconnection of a customer at a connection location or the disconnection of plant from the grid that, by itself, causes the BBI's reassignment factor to decrease by at least 0.2 (see section 2.3).

13. At the start of each pricing year Transpower publishes on its website a list of BBIs that meet the reassignment threshold at the start of the pricing year and those of them that are post-2019 BBIs at least 10 years old at the start of the pricing year. This information for PY2026/27 is provided in Appendix 4.

2.3 Tests for reassignment

14. An eligible BBI must be reassigned (i.e., an application to reassign the BBI will be approved) if:

- the BBI's reassignment factor is less than 0.8
- the circumstances causing the BBI's reassignment factor to be less than 0.8 are:
  - reasonably likely to persist for at least five years after they occurred (i.e., the circumstances are sustained), and
  - not reasonably likely to result in a write-down of the assets comprised in the BBI.[1]

15. The BBI's reassignment factor represents the proportion of the cost of the BBI Transpower would have incurred to provide a "right-sized" investment (in hindsight). The factor is calculated based on the cost of replacing the BBI with one that would be sufficient to meet forecast peak loading and reasonable grid contingencies (but no more) over a period of at least 10 years from the date Transpower received the relevant application (the forecast loading period).

16. An investment reassignment factor is calculated for each transmission investment comprised in the BBI based on replacement cost. The weighted average of the investment reassignment factors by covered cost is the BBI's reassignment factor.

2.4 Effect of reassignment

17. If an eligible BBI is reassigned, its covered cost for each pricing year for which the reassignment applies is reduced by a factor of 1 minus the BBI's reassignment factor (the reassignment amount). The reassignment amount is the part of the BBI's covered cost that goes to residual revenue.

18. Reassignment is a scaling adjustment only. The effect of reassignment is to reduce the BBCs for every beneficiary of the eligible BBI but the beneficiaries' allocations do not change.

---

1 A write-down is a reduction in the RAB value of an asset exclusively due to damage to, or destruction, stranding, decommissioning or disposal of, the asset. Reassignment effectively simulates a write-down of the assets comprised in a BBI, so if an actual write-down of those assets has occurred or will occur due to the same circumstances, reassignment is not available.

2.5 Reversal of reassignment

19. Transpower must fully or partially reverse a reassignment if:
    - the forecast peak loading of the BBI has changed such that the BBI's reassignment factor has increased
    - the circumstances causing the increase are sustained
    - the BBI meets the reassignment threshold at the time of the reversal.
20. If the reassignment factor has:
    - increased to less than 0.8, Transpower must partially reverse the reassignment, or
    - increased to 0.8 or more, Transpower must fully reverse the reassignment, i.e., revert to full covered cost, because 0.8 is the threshold for reassignment in the first place.
21. Transpower must fully reverse a reassignment if the circumstances that led to the reassignment subsequently result in a write-down of the assets comprised in the BBI.

3 Process

3.1 Reassignment application process

22. The diagram in Appendix 1 illustrates the reassignment application process. The TPM clauses relevant to the various steps are noted in the diagram.

23. On receiving an application, Transpower will first screen the application. At this stage:

- Transpower must reject the application if the BBI to which the application relates is not an eligible BBI or the applicant is not an eligible person in respect of the BBI
- Transpower may reject the application if the application does not comply with the application requirements, including if it has not been independently verified (see section 0), or if the applicant has not paid the screening fee (see section 5)
- Transpower will provide the applicant with a reasonable opportunity to fix problems with the application that are identified during screening
- Transpower may also reject the application if the applicant has previously submitted an unsuccessful application that was on the same basis as the current one.

24. Transpower is required to publish an application after it passes the screening stage, but may withhold information the applicant identifies as commercially sensitive if Transpower determines disclosing it would materially commercially disadvantage the applicant or another person. Note, Transpower takes no responsibility for identifying commercially sensitive information. Applicants should ensure that any information they consider is commercially sensitive is clearly identified as such.

25. Once an application has passed the screening stage, Transpower will move into a detailed assessment of the application against the relevant tests in the TPM. In doing so, Transpower is not obliged to use the information the applicant provided in support of the application and may seek additional information.

26. The tests that need to be met for an eligible BBI to be reassigned are summarised in section 2.3.

27. If Transpower decides to approve the application, it may approve a different BBI reassignment factor than the applicant sought in the application.

28. Transpower must consult with all customers on its draft decision to approve or reject the application after detailed assessment.

3.2 Independent expert review

29. Transpower will notify the applicant of its decision on the applicant's reassignment application after consulting on Transpower's draft decision.

30. The applicant may refer any aspect of Transpower's decision on the application to independent expert review.

31. Under the TPM (definition of "reassignment confirmation date") Transpower's decision is not final until the applicant's time for referring the decision to independent expert review has expired (60 days from being notified of the decision) or the applicant has confirmed it does not intend to refer the decision.

32. If the applicant does refer the decision to independent expert review:

- Transpower and the applicant will agree on who the independent expert is, failing which the independent expert will be appointed by the Authority
- the costs of the independent expert will be met by the applicant unless the independent expert decides otherwise
- the independent expert will make the final decision.

33. The reassignment confirmation date is the date Transpower's, or the independent expert's decision, is final.

34. Independent expert review of reversal decisions is also available.

3.3 Publication of decision

35. After the reassignment confirmation date, Transpower is required to publish:

- its decision to approve or reject the application
- the eligible BBI and its reassignment factor
- Transpower's analysis supporting its decision
- any independent expert report.

36. Transpower may withhold information the recipient identifies as commercially sensitive if Transpower determines disclosing it would materially commercially disadvantage the applicant or another person (noting there is certain information Transpower must always publish). Note, Transpower takes no responsibility for identifying commercially sensitive information. Applicants should ensure any information they consider commercially sensitive is clearly identified as such.

3.4 Start pricing year

37. A reassignment always starts at the start of a future pricing year (the start pricing year).

38. Normally, the start pricing year for a reassignment is the next pricing year that starts at least six months after the reassignment confirmation date. However, the start pricing year for a reassignment may be an earlier (future) pricing year if Transpower determines less than six months is practicable to give effect to the reassignment.

4 Application requirements

39. The applicant is responsible for all costs of preparing its reassignment application, including independent verification of it.

4.1 Information requirements

40. A reassignment application must contain the information described in the application requirements in Appendix 2.

41. The information described in the application requirements is the minimum information required. Other information may be required to fully support an application, which may be provided in the application or requested by Transpower.

42. When considering what qualitative and quantitative information and level of detail to include in its application, the applicant should have regard to:

- the extent of uncertainty about the eligible BBI's forecast peak loading and the replacement costs of the modelled investments
- the reliability of supporting data and opinions
- the reasonableness of key assumptions and inputs relied on.

4.2 Independent verification

43. A reassignment application must be independently verified. Under the TPM:

> **independent verification** means, for an **application**, a written report on the accuracy and sufficiency of the information and analysis contained in the **application** prepared by 1 or more persons who are—
>
> (a) recognised technical experts on the subject matter of the **application**; and
>
> (b) independent of the **customer** making the **application**; and
>
> (c) approved by **Transpower**

44. Note, the independent verifier(s) must be approved by Transpower. It is recommended applicants obtain Transpower's approval before engaging an independent verifier.

5 Application fee

45. A reassignment application attracts a two-stage application fee:

- a screening fee is charged to incentivise applicants to furnish a complete application, and to cover costs relating to screening activities
- a detailed assessment fee is charged to cover Transpower's internal and external costs directly attributable to assessing the application in detail.

Application fee stage	Fee level, at date of publication of this manual (excl. GST)	When is this fee paid?	Is this fee refundable?
Screening fee	$11,414.85	When the application is submitted	No (whether or not the application is accepted for detailed assessment or ultimately successful)
Detailed assessment fee	$28,537.11 (standard) or $57,074.23 (complex), with the potential for an additional amount if necessary to cover costs.	When the application is accepted for detailed assessment.	Yes, to the extent the detailed assessment fee exceeds Transpower's actual costs of detailed assessment (whether or not the application is ultimately successful)

5.1 Screening fee

46. The screening fee at the date of publication of this manual is $11,414.85 plus GST. The screening fee is escalated annually at the rate of the annual change in the Consumer Price Index published by Stats NZ. Transpower will publish the adjusted screening fee on its website in April each year.

47. The applicant must pay the screening fee before submitting its application. Transpower will reject an application if the screening fee for it has not been paid.

48. The applicant should contact Transpower to request an invoice for the screening fee before submitting its application.

49. The screening fee is non-refundable.

5.2 Detailed assessment fee

50. During screening for an application, Transpower will determine whether the application is standard or complex. If the application is accepted for detailed assessment, Transpower will notify the detailed assessment fee to the applicant and provide an invoice for it.

51. The detailed assessment fee at the date of publication of this manual is:

- $28,537.11 plus GST for a standard application
- $57,074.23 plus GST for a complex application.

52. The detailed assessment fee is escalated annually at the rate of the annual change in the Consumer Price Index published by Stats NZ. Transpower will publish the adjusted detailed assessment fee on its website in April each year.

53. Transpower will commence detailed assessment of the application once the detailed assessment fee has been paid. Transpower may reject the application if the applicant does not pay the detailed assessment fee by its due date.

54. Transpower will track the cost (internal and external) of detailed assessment and report this to the applicant on request.

55. If the cost rises above 80% of the detailed assessment fee, Transpower will estimate the remaining cost. If Transpower considers the remainder of the detailed assessment fee paid will not be sufficient to cover the full cost of detailed assessment, Transpower will notify the applicant and explain the additional estimated cost. If the applicant wishes to proceed with the application, the applicant must pay an additional detailed assessment fee equal to the estimated additional cost, which Transpower will invoice the applicant for.

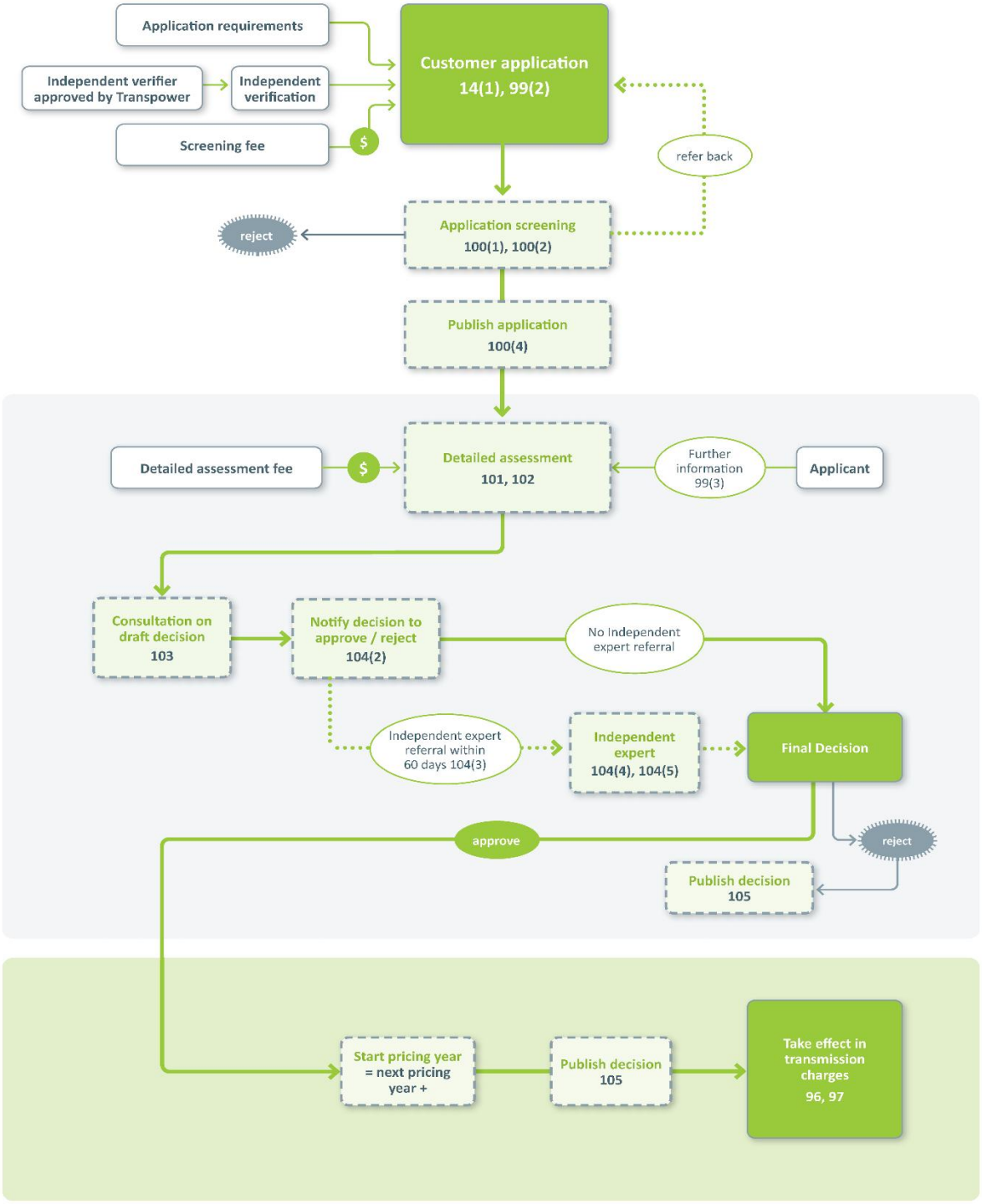
56. Transpower may suspend detailed assessment of the application until the additional detailed assessment fee has been paid. Transpower may reject the application if the applicant does not pay the additional detailed assessment fee by its due date.

57. At the end of the application process, Transpower will refund any part of the detailed assessment fee that exceeds Transpower's actual costs relating to the detailed assessment.

58. The detailed assessment fee (including any additional detailed assessment fee) is intended to be reflective of Transpower's internal and external costs of assessing the application in detail, excluding overheads, as set out below:

- At the date of this manual, Transpower's internal cost is calculated at a blended rate of $139.26 plus GST per hour. Transpower's blended rate is escalated annually at the rate of the annual change in the Consumer Price Index published by Stats NZ. Transpower will publish the adjusted blended rate on its website in April each year
- Professional fees may be incurred by Transpower to engage external experts to assist with assessing the application against the requirements of the TPM, preparing consultation collateral, reviewing technical submissions and cross-submissions and preparing decision records. External experts in the fields of electrical and civil engineering, finance and law may be required, for example. External experts' fees will vary.

59. After gaining experience assessing applications, Transpower expects to revisit the fee structure and/or levels. This could mean lower fees if we are regularly processing refunds, or an uplift if we find many applications necessitate additional detailed assessment fees.


Application requirements
Independent verifier approved by Transpower
Independent verification
Screening fee
$
Customer application
14(1), 99(2)
refer back
reject
Application screening
100(1), 100(2)
Publish application
100(4)
Detailed assessment fee
$
Detailed assessment
101, 102
Further information
99(3)
Applicant
Consultation on draft decision
103
Notify decision to approve / reject
104(2)
No Independent expert referral
Independent expert referral within 60 days 104(3)
Independent expert
104(4), 104(5)
Final Decision
approve
reject
Publish decision
105
Start pricing year = next pricing year +
Publish decision
105
Take effect in transmission charges
96, 97

Appendix 2: Reassignment application requirements

For ease of screening, applicants are requested to format their application to reflect the structure, numbering and headings of the list below.

Part A – General information

1. Applicant details

1.1 Name of applicant

1.2 Eligible person status of applicant (beneficiary of eligible BBI or embedded plant owner/operator)

1.3 Applicant contact details for correspondence about application and invoicing of application fee

2. Eligible BBI details

2.1 Name of eligible BBI

2.2 Basis for eligibility:

- a. depreciated RAB value of eligible BBI at end of previous financial year
- b. more than 10 years since commissioning date or significant disconnection event (state one)
- c. description and date of significant disconnection event (if applicable)

2.3 Existing reassignment(s) of eligible BBI and current BBI reassignment factor (if applicable)

2.4 BBI reassignment factor if application is successful

3. Commercially sensitive information

3.1 Identification of any application content the applicant considers to be commercially sensitive, or state none of it is

3.2 Rationale for commercial sensitivity (if applicable)

Part B – Calculation of BBI reassignment factor

4. Forecast peak loading period

4.1 End of eligible BBI's forecast peak loading period (10 years from application date or 20 years from commissioning date, depending on basis for eligibility)

5. Investment reassignment factors

5.1 Names and descriptions of investments comprised in BBI for which investment reassignment factors calculated (modelled investments)

5.2 Names and descriptions of investments comprised in BBI for which investment reassignment factors not calculated (unmodelled investments)[2]

5.3 For each modelled investment:

a. forecast peak loading (during forecast loading period)

b. additional peak loading for grid contingencies

c. actual replacement cost (RC_{actual})

d. replacement cost to meet forecast peak loading plus additional peak loading for grid contingencies (RC_{peak})

e. investment reassignment factor (RC_{peak}/RC_{actual})

6. BBI reassignment factor

6.1 Covered cost of eligible BBI for current pricing year

6.2 Covered cost of each modelled investment for current pricing year

6.3 Calculation of BBI reassignment factor:

(4) The **BBI reassignment factor** for the **eligible BBI** (BRF) is calculated as follows:

$$BRF = \frac{1}{CC_{total}} \sum_{i} (CC_i \times IRF_i)$$

where

CC_{total}	is the **eligible BBI's covered cost** for the **pricing year** during which the application for **reassignment** was received
CC_i	is the part of the **eligible BBI's covered cost** for the **pricing year** during which the application for **reassignment** was received attributable to **transmission investment** i, where **transmission investment** i is a **transmission investment** comprised in the **eligible BBI**
IRF_i	is **transmission investment** i's **investment reassignment factor**.

[2] Unmodelled investments will be treated as having an investment reassignment factor of 1.

Part C – Supporting information

7. Proof of payment of initial application fee

8. Independent verification of application (clause 99(2)(c))

9. Application requirements checklist (including where in the application each applicable requirement is met)

10. Other supporting documentation (optional)

Glossary

Most of these terms have a formal definition in clause 3 of the TPM, which is summarised below. Applicants should refer to the formal definitions also.

Ap

Term	Meaning
Applicant	An eligible person who applies for a reassignment.
Application requirements	The minimum requirements for a reassignment application. The application requirements are in Appendix 2 of this manual. See clause 99.
Application fee	The fee an applicant must pay Transpower to process a reassignment application, comprising a screening fee and detailed assessment fee. The application fee is specified in section 5 of this manual and published on Transpower's website. See clause 109.
BBI reassignment factor	The proportion of the cost of the BBI Transpower would have incurred to provide a "right-sized" investment (in hindsight). This factor is used to reduce a BBI's covered cost for a pricing year if the BBI is reassigned. See clause 102(4).
Covered cost	The total cost of a BBI recovered through BBCs.
Detailed assessment	The stage of the reassignment application process where Transpower assesses whether the tests for approval of the application are met (reassignment factor < 0.8, circumstances sustained, no write-down). Detailed assessment starts after the application has passed the screening stage and the applicant has paid the detailed assessment fee in full. See clause 101.

Eligible BBI	A BBI:
	• with a RAB value of at least the reassignment threshold at the end of the most recent complete financial year; and
	• for a post-2019 BBI:
	  ○ that is at least 10 years old (i.e., at least 10 years have passed since the BBI's commissioning date); or
	  ○ is a BBI in respect of which there has been a significant disconnection event.

Eligible person	Either: • a beneficiary of the eligible BBI to which a reassignment application relates (i.e., a customer who pays a BBC for it); or • a person who owns or controls plant embedded behind the grid-connected network or plant of a beneficiary of the BBI.
Forecast peak loading	Expected future peak electrical loading of a modelled investment over the eligible BBI's peak loading period. See clause 102(2).
Forecast loading period	The period starting on the date Transpower receives a reassignment application and ending on the later of:

	• 10 years after the date Transpower receives the application; and • if the eligible BBI is less than 10 years old, 20 years after the BBI's commissioning date. See clause 102(1).
Independent expert	A recognised technical expert to whom an applicant may refer Transpower's decision on a reassignment application if the applicant disagrees with some aspect of it. If Transpower and the applicant cannot agree on an independent expert, one is appointed by the Authority. The independent expert's decision is binding. An eligible person may also refer any aspect of a reassignment reversal decision to an independent expert. See clause 104.
Independent verification	A report from one or more independent technical experts verifying the information and analysis in a reassignment application is accurate and sufficient. The independent technical expert(s) must be approved by Transpower. See clause 99.
Investment reassignment factor	The proportion of a modelled investment's replacement cost that would be incurred to provide a similar investment sufficient to meet the investment's forecast peak loading and reasonable grid contingencies, but no more. See clause 102(3).
Modelled investment	An investment comprised in an eligible BBI for which a separate investment reassignment factor is calculated.
RAB value	The depreciated value of the assets comprised in a BBI, as recorded in Transpower's regulatory asset base. See Transpower Input methodologies.
Reassignment amount	The dollar amount by which a reassigned BBI's covered cost is reduced due to the reassignment. The reassignment amount becomes part of residual revenue and is recovered from load customers through residual charges. See clauses 96 and 97.
Reassignment confirmation date	The date the applicant's time for referring Transpower's reassignment decision to independent expert review has expired (60 days from being notified of the decision), the applicant confirms it does not intend to refer the decision or an independent expert has made their decision.
Reassignment threshold	The minimum RAB value for an eligible BBI. The reassignment threshold is specified in section 2.2 of this manual and published on Transpower's website. See clause 98(2).
Replacement cost	The cost of replacing an asset, either separately or part of a group of assets, with a modern equivalent of the same service potential. For reassignment, the asset being replaced may be a notional "right-sized" asset.
Reversal	The full or partial reversal of a reassignment because the relevant BBI reassignment factor has increased or the BBI has been written down. See clauses 107 and 108.
Screening	The stage of the reassignment application process where Transpower assesses the adequacy of the information provided in and with an application, including whether

	the application is by an eligible person in respect of an eligible BBI. Transpower may require further information from the applicant at the screening stage, or reject the application. The application only proceeds to detailed assessment if it passes screening. See clause 100.
Significant disconnection event	Either: • the disconnection of a customer at a connection location; or • the disconnection of plant from the grid, that, by itself, causes a BBI's reassignment factor to decrease by at least 0.2.
Start pricing year	The first pricing year a reassignment applies to. This is normally the first pricing year that starts at least six months after the reassignment confirmation date.
Sustained	Reasonably likely to persist for at least 5 years.
Unmodelled investment	An investment comprised in an eligible BBI for which a separate investment reassignment factor is not calculated. All unmodelled investments are treated as having an investment reassignment factor of 1.
Write-down	A reduction in the RAB value of an asset exclusively due to damage to, or destruction, stranding, decommissioning or disposal of, the asset.

Eligibility for reassignment

Appendix A:

The table below shows, for PY 2026/27, the closing RAB value for each BBI, and the date which is 10 years since the BBI was commissioned. To be eligible for reassignment, a BBI must have a closing RAB value greater than the reassignment threshold of $5,707,349.37, and at least 10 years must have passed since the BBI was commissioned. For PY 2026/27, no BBIs are eligible for reassignment.

BBI	BBI Type	Closing RAB for FY25	10 years since commissioning date
BPE-HAY REC	Appendix A	$ 77,249,703	
HVDC	Appendix A	$ 405,253,740	
LSI REL	Appendix A	$ 29,401,406	
LSI REN	Appendix A	$ 34,580,878	
NIGU	Appendix A	$ 700,032,458	
UNIDRS	Appendix A	$ 29,863,225	
WRK-WKM C	Appendix A	$ 114,294,059	
BOP_LV	Simple Method	$ 69,136,626	23 July 2029
CML_LV	Simple Method	$ 2,555,887	23 July 2029
CNI_LV	Simple Method	$ 89,891,498	23 July 2029
CSI_HV	Simple Method	$ 22,565,254	23 July 2029
CSI_HV_LNI_HV_HVDC	Simple Method	$ 86,541,643	23 July 2029
HB_HV	Simple Method	$ 10,712,473	23 July 2029
HB_LV	Simple Method	$ 24,403,555	23 July 2029
LNI_HV	Simple Method	$ 158,888,751	23 July 2029
LSI_HV	Simple Method	$ 60,438,919	23 July 2029
NLD_HV	Simple Method	$ 27,852,508	23 July 2029
NLD_LV	Simple Method	$ 9,831,672	23 July 2029
NMB_LV	Simple Method	$ 32,041,409	23 July 2029
SLD_LV	Simple Method	$ 39,838,530	23 July 2029
TIM_LV	Simple Method	$ 23,023,508	23 July 2029
UNI_HV	Simple Method	$ 125,806,581	23 July 2029
UNI_LV	Simple Method	$ 84,995,745	23 July 2029
USI_HV	Simple Method	$ 49,236,747	23 July 2029
USI_LV	Simple Method	$ 38,489,247	23 July 2029
WTK_LV	Simple Method	$ 4,485,267	23 July 2029
WTN_LV	Simple Method	$ 63,016,887	23 July 2029
WTO_LV	Simple Method	$ 112,113,984	23 July 2029
CUWLP	Standard Method	$ 77,297,629	15 November 2030
HVDC POLE 2 REFURBISHMENT	Standard Method	$ 27,130,987	7 February 2033
WUNIVM STAGE 1A - HAM STATCOM	Standard Method	$ 39,261,574	15 December 2032
WUNIVM STAGE 1B - OTA STATCOM	Standard Method	$ 47,441,315	11 March 2035
NZGP1.1 - CNI	Standard Method	$ 11,860,432	1 February 2033

TRANSPOWER

TRANSPOWER.CO.NZ