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TPM INFORMATION SHEET V2 SEPT 2026

Reassignment

Purpose of this Information Sheet

This Information Sheet describes the "reassignment" adjustment that can be made to the value of a benefit-based investment (**BBI**) under the transmission pricing methodology (**TPM**).

Reassignment shifts recovery of part of the BBI's covered cost from benefit-based charges (**BBCs**) to residual charges.

This Information Sheet provides an overview of:

- what reassignment is and when it can apply
- the impact of reassignment on transmission charges
- the reassignment application requirements and fee.

The reassignment provisions are contained within Part G of the TPM.

All clause references in this Information Sheet are to clauses of the TPM.



Legal disclaimer

This Information Sheet provides a high-level overview of the relevant subject matter only.

Transpower recommends you review the TPM itself and seek independent expert advice before relying on anything in this Information Sheet.

Transpower cannot, and does not, accept any liability for the accuracy or completeness of this Information Sheet or the consequences of your or others' reliance on it.

If you provide this Information Sheet or an extract from it to any other person you must include this disclaimer.

Version history for this guide

Version	Published	Key amendments compared to previous version
1	4 June 2025	n/a
2	X September 2026	Updated reassignment threshold.

1 Background

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.

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.

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).

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

More information about the requirements and process for obtaining a reassignment adjustment are in the reassignment practice manual.[1]

2 Parties eligible to apply for reassignment

Only customers who are beneficiaries of the BBI, and their embedded plant owners, are eligible to apply for reassignment of a BBI.

3 BBIs eligible for reassignment

A BBI is eligible for reassignment where:

- the current depreciated value of a BBI is at least $5,707,349.37, inflation adjusted; and
- if the BBI is a post-2019 BBI either:
  - (i) 10 years have passed since the BBI's commissioning date (the stand-down period); or
  - (ii) since the BBI's commissioning date there has been:

[1] Under the TPM Transpower must publish a reassignment practice manual, application requirements and application fees (clause 109). The reassignment practice manual, which includes application requirements and application fees, is published on our website here: TPM reassignment practice manual.

a. a permanent disconnection of a customer at a connection location (not just a single point of connection to the grid at a connection location); or

b. permanent disconnection of consuming or generating plant from the grid.

4 Post-reassignment value

An eligible BBI must be reassigned (i.e. an application to raising the BBI will be approved) if the value of the BBI post-reassignment would be less than 80% of its current (depreciated) value and we consider the circumstances justifying reassignment are likely to be sustained.

The reassignment value 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 not more) over a period of at least 10 years.

5 Effect of reassignment

If an eligible BBI is reassigned, its covered cost would be scaled down in proportion to the post-reassignment value relative to the current book value i.e. if the reassignment value is 80% of current book value, covered costs would be scaled down by 20%.

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.

Reassignment would not, by itself, result in any reallocation of the BBCs for the eligible BBI.

However, it is possible the circumstances justifying a reassignment will also be a reallocation adjustment trigger. Customer exit is an example. In that case we will determine the appropriate reallocation in accordance with the TPM provisions dealing with customer exit. As a separate exercise, we would assess any application we received for reassignment. The end result may be both a scaling and reallocation adjustment of the BBCs for the BBI.

6 Reassignment of BBCs to residual charges

As noted above, reassignment will take effect as a scaling adjustment – the covered cost of the eligible BBI will be reduced for each year the BBI is subject to reassignment, so that all beneficiaries' BBCs for the BBI will be lower for that year. Transpower recovers this amount from load customers through the residual charges.

7 Reversal of reassignment

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.

If the reassignment value has:

- increased but is still less than 80% of the book value, Transpower must partially reverse the reassignment, or
- increased to 80% or more, Transpower must fully reverse the reassignment, i.e. revert to full covered cost, because 80% is the threshold for reassignment in the first place.

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.

We are able to review and fully or partially reverse a reassignment at any time. If we did propose to reverse a reassignment, the same process requirements as apply to granting a reassignment application would apply. If we determined the BBI's BBI reassignment factor is 0.8 or more, we would fully reverse the reassignment. This is because the BBI would not have been reassigned in the first place with a BBI reassignment factor of 0.8 or more.

8 Reassignment application requirements and fees

The administrative and process requirements for reassignment applications are broadly the same as we apply for prudent discount applications. This includes application fees, application content requirements (both published outside the TPM), independent verification, initial screening before moving to detailed assessment, publication of applications and decisions, consultation, and independent review of decisions.

The reassignment application requirements are set out in the reassignment practice manual. The requirements are grouped under the following headings:

- General information
- Calculation of BBI reassignment factor
- Supporting information, including confirmation of screening fee payment and independent verification.

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. 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.

As part of complying with the application requirements, 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—
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> (a) recognised technical experts on the subject matter of the **application**; and
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> (b) independent of the **customer** making the **application**; and
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> (c) approved by **Transpower**

The reassignment application fee is specified in out in the reassignment practice manual. The application fee is in two parts:

- a screening fee that must be paid up-front
- a detailed assessment fee that must be paid when Transpower accepts the application for detailed assessment after screening it.

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