

5 December 2017



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Dr Mark Berry
Chair
Commerce Commission
P O Box 2351
WELLINGTON 6011

Dear Mark

Please find attached our application for a Customised Price-quality path (CPP). As detailed in the main proposal document and supporting attachments, our proposal relates to new investment of \$31.24 million in earthquake readiness initiatives.

We have identified a programme of immediate, affordable and pragmatic quick-wins to improve our earthquake readiness. We are seeking regulatory approval for this prudent expenditure. If our application is successful, we will be in a better position to start returning electricity supply to our communities and businesses in what could be an extremely stressful and traumatic time.

Improving our readiness, includes bringing emergency hardware, mobile substations and switchboards, critical spares and enhanced communications systems into the region, along with the seismic reinforcement of substations.

This application, if approved, would result in a modest price increase of around \$1.50 - \$1.90 per month for a typical residential customer.

We believe it is demonstratively better to take steps now to reduce the consequence of a major earthquake ahead of its occurrence. This will reduce the risk of prolonged disruption of our region's well-being and economic prosperity. This proposal is a positive step forward to improve our earthquake readiness, before we turn our attention to longer term resilience and further coordinated investment planning with central Government, city leaders and lifeline utilities.

We look forward to working with you and your team in your consideration of this application.

Yours sincerely

A handwritten signature in red ink, appearing to read 'G Skelton'.

Greg Skelton
CHIEF EXECUTIVE OFFICER