

BEFORE THE BOARD OF INQUIRY

IN THE MATTER of the Resource Management Act
1991

AND

IN THE MATTER of applications for resource consent
and notices of requirement by
Transpower New Zealand Limited for
the North Island Grid Upgrade Project

**STATEMENT OF EVIDENCE OF JOHN NICHOLAS OLIVER COAD IN
REBUTTAL ON BEHALF OF TRANSPOWER NEW ZEALAND LIMITED
(Project description/overview)**

SIMPSON GRIERSON
D J S LAING / J G A WINCHESTER
TELEPHONE: +64-4-499 4599
FACSIMILE: +64-4-472 6986
DX SX11174: PO BOX 2402
SOLICITORS
WELLINGTON

J S KÓŠ QC
STOUT STREET CHAMBERS
TELEPHONE: +64-4-472 9026
FACSIMILE: +64-4-472 9027
PO BOX 117
WELLINGTON

Introduction

1. **MY** name is John Oliver Nicholas Coad. I wish to present rebuttal evidence to the statements of evidence of Mr Lance and Mrs Donna Levesque (**Submitter number 0914**).
2. **MR** Lance and Mrs Donna Levesque state at the bottom of page 9 and top of page 10 of their revised statement of evidence that:

"The commission asked t/p to confirm whether the contingency included in the costs for which t/p has sought approval is sufficient to allow t/p to address community concerns expressed during the public conference. In Particular, the commission asked t/p whether the contingency could divert the towers around Hunua if that was required to lessen the impact on the community. T/p indicated that this is one mitigation measure that it was considering, and that this matter could be addressed in the RMA process if raised."

3. **THERE** are two issues to address in relation to this point. First, the sufficiency of contingency and secondly, the approach to the line design through Hunua.

Sufficiency of contingency

4. **THE** Electricity Commission did ask Transpower, in a letter of 5 June 2007, to:

"confirm whether Transpower has budgeted within the costs for which approval was sought for likely measures, for example, the use of monopoles, more undergrounding etc, which might be required to mitigate any adverse environmental effects of the project".

5. **IN** Transpower's 11 June 2007 response it was noted that an extensive consultation process had been undertaken by Transpower, which gathered the opinions of many affected parties. Views differed on many issues, for example, while many people objected to a transmission line in general, if it was to occur, some parties preferred lower tower heights and perceived lower visual impact while directly affected farmers typically prefer higher towers, longer spans and reduced effects on land productivity. Many changes were made as a result of

consultation, with approximately two thirds of the proposed tower locations moved by October 2005 based on feedback.

6. **GIVEN** the consultation, and the efforts made to address the concerns raised during that consultation, it was felt that the proposed line design included in the Notices of Requirements (**NoRs**) represented an appropriate trade-off between multiple interests, while still maintaining reliability standards, designing to good electricity industry practice, meeting the need date and seeking to minimise project costs. As a consequence, there would not be significant changes to the whole line and contingencies were established to allow for some local changes.
7. **BECAUSE** a project of this type has not been completed under the current RMA processes, it is difficult to determine the probabilities of new information arising through submissions or evidence to the Board of Inquiry that might change the design and hence costs. The estimates of the contingency amounts required for the Upgrade Project may turn out, with the benefit of hindsight, to be overly optimistic or pessimistic, but in my opinion they represent the best view of likely sources of cost pressures and likely outcomes.
8. **ON** this basis it was confirmed that there was adequate contingency for a range of possible mitigation measures that might emerge from the Board of Inquiry process.
9. **THE** total contingency sum included in the project costing is of the order of \$105m but, in addition to mitigation measures that might arise from the Board of Inquiry this contingency must cover a multitude of other possible changes in areas such as property easement costs, equipment costs, labour costs, foreign exchange and changes in commodity prices.

Hunua

10. **IN** respect of the line design options through Hunua, the Transpower response to the Electricity Commission, dated 11 June 2007, argued that the design submitted in the NoRs represented an appropriate trade-off between multiple interests. It was acknowledged that further information might arise

during the Board of Inquiry process that might change some of these decisions in local areas but there was no commitment to any particular further mitigation in a particular area.

11. **IT** was also stated that given this extensive consultation, Transpower was not yet of the view that use of monopoles is “likely”, but was entering the RMA process with an open mind to such issues.
12. **THE** use of monopoles in general, and at Hunua in particular, is discussed in the evidence of Mr Lister.

John Nicholas Oliver Coad

17 March 2008