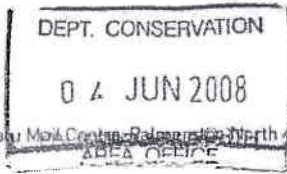
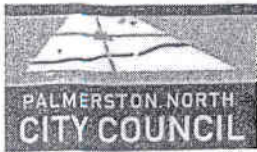


Appendix B

Letter from Palmerston North City Council sent to Department of
Conservation: 15th May 2008.



SAR 5-53-4

Private Bag 11034, Manawatu Mail Centre, Palmerston North 442, New Zealand P 64 6 356 8199 W www.pncc.govt.nz

06 351 4489

Project No: 640007 007

File No: 02849-01

2 MAY 2008

15 May 2008

The District Conservator
Department of Conservation
Private Bag 3016
WANGANUI

Jason Rookby

Jason, can you please organise a meeting with Chad Kipper (see over) & add me to the invite list - along with Peter Mator and Mr.

*Thanks
Duncan*

Dear Sir

TURITEA RESERVE – WINDFARM DEVELOPMENT

As you may be aware, in 2006, the Palmerston North City Council added an extra purpose to the existing purposes of the Turitea Reserve and amended the management plan. These changes were made to allow the potential use of the reserve for a windfarm development.

As part of this process, Council adopted resolutions to direct the Chief Executive of the Palmerston North City Council to work with the Department of Conservation with respect to the ecological restoration of the reserve. A copy of the Council's resolutions on this matter are enclosed.

Council would now like to commence discussions with you to progress this matter. Our drivers are to achieve an agreement so that Council's long term planning obligations are met and to ensure that both the Council's and DOC's positions with regard to future reserve development are in place if any Resource Consents for a windfarm in the reserve are applied for. This will give some certainty to both the public, the Council and the Environment Court about ensuring the positive effects flowing from the proper use of royalties paid to Council as administering body of the Reserve. We believe that applications for consents for a windfarm in the reserve could be forthcoming within the next 3-4 months.

As a starting point, I would like to state Council's objective with regard to the ecological restoration and our initial thoughts on how to action this objective. Because the intrusion of turbines is obviously an adverse effect, the Environment Court will need to balance those effects against the positive effects of a detailed plan to utilise the royalties in a way that ensures the ecopark concept is fulfilled. The Council wants to restore the forest and its fauna to a healthy state. As you know, the forest is presently quite degraded.

Our objective is to create a 'mainland island' on the Reserve. Two reports, by Don Ravine in 2004 and Wildlands Consultants in 2008, have both confirmed that this can be achieved without the need to construct a predator proof fence around the perimeter of the reserve.



Manawatu
Young Heart, Easy Living

Therefore, if a windfarm was developed on the reserve, indicative expenditure on the reserve is set out according to the following table: *(figures represent thousands of dollars)*

Year (Post Windfarm Commissioning)	1	2	3	4	5	6	7	8	9	10
Animal & Weed Control	220	220	220	220	220	220	220	220	220	220
Maintenance	100	150	150	150	150	150	150	150	150	150
Mainland Development (Massey/DOC report)	280	350	350	420	350	420	270	350	270	420
Island (Wildlands' report)										
Research & Monitoring (Massey/DOC)	100	100	100	100	100	100	100	100	100	100
TOTAL	700	820	820	890	820	890	740	820	690	890

It is noted that current expenditure on the reserve is of the order of \$320k per annum.

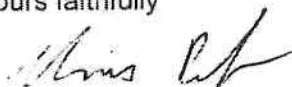
In addition to the above, there will be extra expenditure related to mitigating the construction effects.

In conclusion, Council wish to open discussions with the Dept of Conservation to, firstly, agree with the Council's approach in this matter and, secondly, to initiate discussions on ways in which Council and DOC can work together to meet Council policy on this matter. We believe that progress on this matter can be made relatively quickly.

Council is happy to make available to you our technical information on the reserve and to meet with you to discuss this matter further. We foresee that Council would avail itself of DOC's technical resources in this matter if available.

Please contact the undersigned in the first instance with any comments or queries related to this matter.

Yours faithfully



Chris Pepper
WATER & WASTE SERVICES MANAGER

Cc P Clifford – Chief Executive
Mike Manson
John Reardon – Cooper Rapley