



Office of Hon Simon Bridges

MP for Tauranga

Minister of Energy and Resources

Minister of Labour

Associate Minister for Climate Change Issues

7 October 2014

Dr Brent Layton
Chair
Electricity Authority
PO Box 10041
Wellington

Dear Brent

The fire at the Penrose sub-station on 5 October which caused a power outage affecting around 85,000 households and businesses in parts of Auckland was a significant event. Many thousands of homes and businesses were left without power for over two days causing significant disruption and cost.

This raises questions about the reliability of power supply. It is therefore important there be a full inquiry so the public can be confident that risks of power supply interruption are adequately managed.

I am writing to request, under section 18 of the Electricity Industry Act 2010, that the Authority undertakes an inquiry of the Penrose outage and report its findings to me.

The Authority should work with all parties involved to address the following questions:

1. What caused the loss of supply or contributed to it, including potentially systemic factors such as risk management systems, asset health monitoring and maintenance practices, network design, and regulatory incentives and controls?
2. What fire hazard mitigation systems were in place; and did they operate as intended?
3. What actions were taken during the course of the outage in respect of:
 - a. ensuring the safety of people and equipment?
 - b. communicating with affected and interested parties (including emergency services) about the impact of the event and timeframes for restoration of supply?
 - c. mitigating the loss of supply and expediting restoration?
4. What the estimated economic impact of the outage was on customers?

5. What actions will be taken or are recommended, as a result of the outage and subsequent investigations, to improve the resilience of power supplies and management of outages?

I also request that the scope of the inquiry includes any policy implications and, because of this, that the Ministry of Business, Innovation and Employment be kept fully informed throughout the process of the inquiry.

Yours sincerely

A handwritten signature in black ink, appearing to be 'S. Bridges', followed by a long horizontal line extending to the right.

Hon Simon Bridges
Minister of Energy and Resources