

BAY OF PLENTY ELECTRICITY CONSUMER TRUST

ANNUAL REPORT

YEAR ENDING 31 MARCH 1998

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BAY OF PLENTY ELECTRICITY CONSUMER TRUST

TRUSTEES LIST

<u>Name</u>	<u>Address</u>	<u>Contact Numbers</u>
Malcolm Law (Chairman)	Golf Links Road R D 1 Whakatane	308 5265 Fax & Home 025 760351 Mobile
Colin Hammond (Deputy Chairman)	"Collands" Onepu Road R D 2 Whakatane	322 8028 Fax & Home
Brian Ponting	10 Domett Street Kawerau	323 8816 Home 025 792216 Mobile 323 8516 Fax
Toni Owen	7 Eleanor Place Whakatane	308 8384 Home 308 7243 Work 307 1327 Fax
Jim Towersey	112 Ford Street Opotiki	07 3156834 Home 025 2432832 Mobile 07 3156125 Fax

SECRETARY TREASURER

Neil Brennan	293 Pohutukawa Ave Ohope	312 5765 Home 307 2802 Work
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Ladies and Gentlemen

The electricity industry appears to be heading for another reshuffle with the Minister of Energy, the Honorable Max Bradford expressing concerns about cross-subsidisation and the effect this is having on consumers costs, particularly domestic consumers.

The indications are that the Minister has in mind to separate the line business from the retail and generation business, resulting in the formation of two separate companies.

Because of the changing situation in the electricity industry, and to ensure that the Trust gets the right advice, the Trustees will need to engage consultants. It is hard to predict the future of the industry, and more importantly, where Bay of Plenty Electricity Limited, will end up. The Trustees will need to be well equipped and hopefully make a constructive contribution that will protect the consumers' investment and to place the company in the best position for the future.

By the time this report is tabled I should be better able to report the Trust's position and have some indication of the progress made to highlight how we will deal with the future.

In spite of the El Nino weather pattern and the change in the energy retail market, Bay of Plenty Electricity Limited has experienced another good year with a 25.5 c return per share compared with 24.4 c in 1997.

The Trust's good relationship with Bay of Plenty Electricity Limited has continued, and I thank the Chairman, Mr Colin Holmes for his support. The Trust has the right to nominate two directors to the board of the company and Colin Holmes and I are the Trust's current nominees.

The Trust and Power NZ, the major shareholders in the Company, had a number of meetings during the year, when matters of common interest relating to the company were discussed. I must record the Trust's appreciation to Power NZ directors for making themselves available for these meetings.

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Mrs Toni Owen and Mr Colin Hammond were returned unopposed as Trustee's for the Whakatane Ward, in election 1997.

Election day 1998 is October 1, when Mr Jim Towersey, Opotiki Ward and Mr Brian Ponting, Kawerau ward are offering themselves for re-election .

The Trustees have met as and when required to discuss and approve applications for grants. I enclose with this report the total list of grants by the Trust, highlighting this year's approvals and those pending.

The Company, the three district councils of Whakatane, Opotiki and Kawerau and the Trust have agreed to an undergrounding formula, which will be managed by the Company in consultation with the councils. The Trust's contribution will be up to \$100,000 on an annual basis, with the councils and Company contributing similar amounts each. This will enable overhead lines to be progressively placed underground throughout the Eastern Bay of Plenty.

The Harbour Road, Ohope undergrounding project is nearing completion. Undergrounding has been a matter of considerable debate and I am pleased to report to you this satisfactory conclusion.

The Opotiki community Health Trust has continued to experience problems in getting their project off the ground. The Trust has recently confirmed with the Health Trust that we are still prepared to consider a contribution when they are in a position to resubmit their revised project.

Also enclosed with this report is a financial statement of the position of the Trust as at 31 March 1998. From this it is obvious that the Trust is in a very sound financial position. - *AT THE COMPLETION OF THIS REPORT NEIL WILL PRESENT THE FINANCIAL REPORT*
The Energy Trusts of New Zealand have had two meetings in the last year, and Trustees from Bay of Plenty Electricity Limited have shared attendance at these meetings.

The Trustees have continued to meet with members of the Rotorua and Tauranga Trusts to discuss matters of common interests.

The Bay of Plenty Community Trust (previously known as Trustbank BOP Community Trust) has held two meetings during the year with

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representatives of various philanthropic organisations in the Bay of Plenty. These are useful meetings, giving opportunities to meet and exchange views with other Trusts in the greater Bay of Plenty.

To my fellow Trustees, I thank you for your contribution during the year, your attendance at meetings, and your thoughtful deliberations to the important matters dealt with. The Trust's role in approving grants, protection of the Trust's investment, plus the important role of supporting the Company are matters to which you have all contributed significantly. The Trust's Secretary - Treasurer Mr Neil Brennan has again done a sterling job. We record our thanks for his valuable contribution in spite of his other commitments.

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I thank you for the opportunity of serving as Chairman of the Trust. I find it very challenging and believe with your support and involvement we will be able to meet the challenges of the future.

Thank you.



Malcolm Edward Law M.B.E. J.P.

31 March 1998

* BECAUSE OF A PERCEIVED CONFLICT OF INTEREST
WHICH I HAVE DIFFICULTY IN UNDERSTANDING.
NEIL HAS RESIGNED AS SEC., TREASURER.
THE TRUST HAS APPOINTED TONI QUEN AS HIS SUCCESSOR.
WE WOULD RECORD OUR SINCERE THANKS TO NEIL FOR HIS
VALUABLE CONTRIBUTION - RECEIVE HIS RESIGNATION
WITH REGRET
THANKS MUST BE EXPRESSED TO TONI FOR ACCEPTING
THE POSITION

BOP ELECTRICITY CONSUMER TRUST SCHEDULE OF GRANTS

RECIPIENT	PURPOSE	AMOUNT PAID
Year to 31-3-97		
Betta Electrical	Electric Blanket Testing	1780.00
Betta Electrical	Electric Blanket Testing	3210.00
Eastbay Health	CAT Scan	700000.00
EBOP Life Education Trust	Mobile Classroom	20000.00
Disabilities Resource Centre	Building Electrical Fitout	100000.00
		<u>824990.00</u>
Year to 31-3-98		
Opotiki Theatre Trust	Upgrade Electrical facilities	20000.00
BOP Electricity	Undergrounding - 1997/98	100000.00
Whk Surf Life Saving Club	Solar Panels	14350.00
Mountain View Restn Home	Laundry & Kitchen Upgrade	24125.00
		45875.00
BOP Electricity	Remote Metering	25000.00
		<u>229350.00</u>
Grant Approved - not paid		AMOUNT
Whakatane Squash Club	Court Lighting	21500.00
	Building Alterations	6000.00
Awakeri Hall Complex	Electrical Components	250000.00
BOP Electricity	Remote Metering	200000.00
Edgecumbe Squash & Tennis	Tennis Flood Lights	50000.00
EBOP Child Injury Trust	Hot Water Burns	20000.00
Ohope Bowling Club	Lighting & Heating	20000.00
Whakatane District Council	Ohope Hall Electrical Components	40000.00
Opotiki Rugby Sub-union	Floodlighting	40000.00
EBOP Life Education Trust	School Connections	7500.00
Betta Electrical	Electric Blanket Testing	5000.00
Edgecumbe Squash & Tennis	Tennis & Squash Court Lighting	50000.00
Taneatua Hall	Electrical Appliances	2000.00
		<u>712000.00</u>