

KING COUNTRY ELECTRIC POWER TRUST
Minutes of the Annual General Meeting of Consumer
Beneficiaries held in the Senior Citizens Rooms, Morero Terrace,
Taumarunui, on Thursday 27th August 2009 at 3.30pm.

ATTENDANCE:

Brian Gurney (Chairman), Graeme Cosford, Michael Turner, Norman Annand and Uwe Kroll (Trustees), Tessa Stewart (Secretary), Brian Needham (KCEPT Representative on KCE Board) and thirty one consumer beneficiaries.

APOLOGY:

There were no apologies received.

MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting of 7th August 2008 were taken as read.

Resolved ***"That the minutes of the meeting of 7th August 2008 be confirmed as a true and correct record of the meeting"***

Annand / Cosford
Carried

CHAIRMAN'S REPORT

The Chairman tabled his report on the performance and activities of the Trust for the year.

Key issues included:

- o KCEPT Distributions to Beneficiaries; the Trust approved total distributions of \$1.585 million in 2009
- o KCEPT Profits; profit from the Trust's operations were \$1.696 million after tax
- o KCEPT Assets; the Trust manages a total of \$37 million assets on behalf of beneficiaries
- o Access to Information Guidelines; there have been no requests and therefore there is no reason to change the guidelines.

The Chairman updated Beneficiaries on Trust activities since the end of our financial year.

Key issues included:

- o KCE has appointed a new CEO and Director
- o KCE electricity costs have increased; modest customer increases will be implemented to cover this
- o KCE's profit was steady and dividend levels were maintained
- o TLC's new businesses are not yet contributing to overall profit levels
- o TLC's network increases have been too high; Trustees have approached TLC regarding this issue
- o TLC's employee fraud has been confirmed at \$260k; this claim will be covered by insurance if recovery is not made from the individual concerned
- o TLC has paid a reduced dividend from \$400k in 2008 to \$150k in 2009
- o Trustees believe it is important to have local representation on the TLC Board; WESCT do not want to appoint a Director at this time
- o KCEPT have maintained their capital investment; interest rates are falling so we are earning less cash from our bank investments
- o KCEPT will be holding their next election in early 2010

Questions were received regarding:

- o **KCEPT History Book:** Turner gave a brief update on progress to date

- **Increasing Power/Lines Charges:** Trustees reiterated their concern over large TLC line charge increases; KCE charges are competitive with other suppliers
- **KCE Mokau Project:** Brian Needham noted that we are currently waiting for the judge to make a decision before it goes to court at appeal court level
- **KCEPT Assets:** The Trust's assets are as a result of our change in shareholding in KCE and TLC
- **Renewing TLC Lines:** TLC have assured Trustees that costs are not excessive
- **Emission Trading Scheme:** Trustees noted that the Government is yet to finalise the scheme; we will have a lot more information by our next AGM

Resolved ***"That the Annual Report of the Chairman for the year ended 31st March 2009 is adopted"***

Gurney / Turner
Carried

FINANCIAL ACCOUNTS

Annand tabled the financial accounts and summarised the income statement, statement of changes in equity and balance sheet for easier understanding along with giving explanations for larger expense variances.

Resolved ***"That the annual accounts presented for the year ended 31st March 2009 are adopted"***

Annand / Needham
Carried

- Ian Dougherty congratulated the Trust on the clear presentation of the accounts and noted that it would be good to state the value used for KCE shares as at 31st March

AUDITOR

The Chairman noted that our auditors have provided excellent service this year and recommended that Sewell and Wilson be appointed auditors for the next year.

Resolved ***"That Sewell and Wilson be appointed auditors for the period from the conclusion of this meeting until the next annual meeting of beneficiaries"***

Gurney / Kroll
Carried

Resolved ***"That the Trustees be empowered to fix the fees and expenses of the auditor for the period of appointment"***

Kroll / Cosford
Carried

INFORMAL GENERAL BUSINESS

The Chairman thanked the Senior Citizens Club for a lovely afternoon tea.

CONCLUSION

The Chairman thanked all present for their attendance and participation in the meeting, declaring the meeting closed at 4.10pm.

Confirmed.....Chairman

/ /