

25 January 2018



The Hub
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Important Information on Proposed Changes to TECT

This is
your Trust –
and this is
your Choice.

Dear TECT Consumer

The Proposed Evolution of TECT – We want your views

NOTICE OF PROPOSAL

A lot has happened in the last twenty-five years since TECT was formed. There's now more choice in electricity retailers, accelerating disruptive technological change, high population growth and different expectations from local communities.

There's no doubt these changes are impacting TECT and TECT's Consumers. The 2016 demerger of Tilt Renewables from Trustpower was further evidence that more change is inevitable. Doing nothing is no longer an option for TECT.

As a result, the Trustees believe now is an appropriate time to look at how TECT can be future proofed. In line with this view, we have developed a proposal, for consultation with Consumers, that seeks to balance the interests of current and future beneficiaries.

Please consider the proposal below and share your thoughts with us. Your submissions and feedback will help us form a final proposal. Subject to the outcome of this consultation phase Trustees will ask Consumers to vote on a final proposal.

Here's what the Trustees are proposing:

- The assets of the Tauranga Energy Consumer Trust would be distributed or transferred to the TECT Charitable Trust, after a one-off \$2,500 payment to Consumers as outlined below.
- TECT Charitable Trust's focus would be solely a provider of funds to community and charitable groups and over time Trustees would aim to triple the amount available for community projects and groups (in 2017 it was \$7.7m). Increased distributions would commence from 2019.
- TECT cheques would change:
 - Eligible Consumers* would receive a one-off lump sum TECT cheque payment of \$2,500, representing about five years' payments based on the current average annual TECT cheque (in 2017 it was \$497).
 - Five more years of TECT cheques. \$20M would be distributed annually to Consumers from 2018 through to 2022 (based on the number of 2017 eligible Consumers this equates to approximately \$360 per Consumer account).
 - After 2022, there would be no further Consumer cheques, and the Tauranga Energy Consumer Trust would be wound up.
- From 2023, income would be distributed exclusively into Tauranga and Western Bay of Plenty community and charitable organisations through the TECT Charitable Trust.

** Eligible Consumers will be those with a Trustpower power account in the TECT District in the same name from 1 January 2018 and continuously through to 30 June 2018.*

Please see over for further important information.

Yours sincerely

TECT Trustees



Natalie Bridges, Paul Tustin, Ron Scott, Bill Holland (Chair), Amanda Sutcliffe, Peter Blackwell

THE PROPOSED PROCESS

Consumers have the opportunity to provide submissions on the proposal until 4pm on 1 March 2018 and details of how to do this are shown below. If the Trustees decide to proceed, we will move to a formal vote on a proposal in April 2018, with the proposed change to be implemented only if a majority of voting Consumers are in favour. If the majority of Consumers are in favour then High Court approval will be sought.

HAVE YOUR SAY

All TECT Consumers are entitled to make a submission on the proposal. Consumers who wish to comment on the proposal are invited to make a submission in writing by 4.00pm, 1 March 2018.

Submissions can be made through:

🌐 www.tect.org.nz/submissions

@ submissions@tect.org.nz

✉ TECT, PO Box 356, Tauranga 3140

☎ 07 578 5094

CONSUMER INFORMATION SESSIONS

The Trustees will hold a series of information sessions. These will be informal sessions where Consumers can talk to TECT Trustees directly. Consumers can pop in at any time during the 3 hour session.

TIME	DATE	LOCATION
4.00pm - 7.00pm	Wednesday 7 February 2018	The Orchard, 20 MacLoughlin Drive, Te Puke
5.30pm - 8.30pm	Thursday 8 February 2018	Hotel Armitage, Tauranga
4.00pm - 7.00pm	Thursday 15 February 2018	Katikati Memorial Hall
11.00am - 2.00pm	Friday 16 February 2018	Daniels in the Park, 53 Eleventh Ave, Tauranga

All Consumers, and other interested stakeholders and persons are welcome to attend the sessions. Refreshments will be served.

WANT MORE INFORMATION?

Copies of the following documents are available free of charge at www.tect.org.nz, or from the TECT office.

1. Notice of Proposal
2. Explanatory Notes to the Proposal (Information Booklet)
3. Current Trust Deeds of Tauranga Energy Consumer Trust and the TECT Charitable Trust
4. Proposed Trust Deed for the TECT Charitable Trust

WHAT HAPPENS TO SUBMISSIONS?

Trustees will carefully consider all submissions. Consumer hearings will be held to consider all verbal submissions. The dates of hearings will be advertised once they have been set. Copies of all submissions received will be available for viewing at the TECT office from 5 March 2018.