

## Southland's Quiet Benefactor

Under the 19-year chairmanship of Alan Harper, The Power Company Ltd (TPCL) has amassed significant wealth for the people of Southland and West Otago.

Alan Harper's six-month Crown appointment to the Southland Electric Power Supply board in 1989 evolved into a 28-year stint, first as a board director and then as chair of what became TPCL.

He is now stepping back as TPCL chair and says it's time to give others a go.

In 1991, TPCL was formed to manage the Southland Electric Power Supply on behalf of the Crown.

"I'm immensely proud of TPCL and where it's come from. It was bought from the Crown in 1998 for \$22 million, and we had to borrow \$10 million to repay the Crown the purchase price," Mr Harper says.

"It now has asset investments worth \$639.2 million and TPCL network assets worth \$328 million. Over two decades, this represents an enormous amount of growth that belongs to the people of Southland and West Otago."

TPCL's story is a major success for Southland. It's not only the impressive growth over two decades but also the \$8 million consumer discount that goes into the pockets of TPCL customers each year. And there's more.

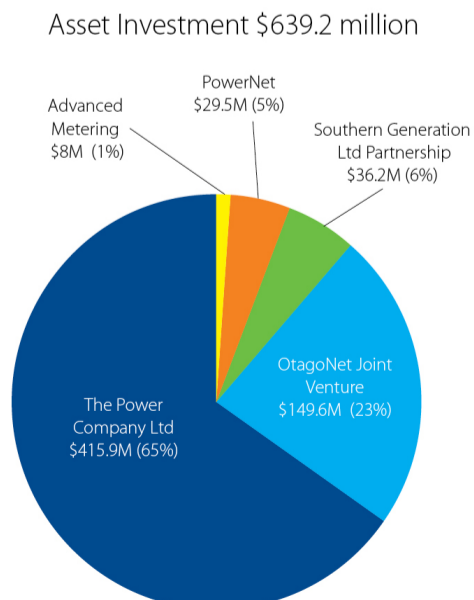
"Because TPCL is owned by consumers (by way of a consumer trust) it takes a much lower rate of return on investment than would be usual. This means Southlanders also benefit from around another \$15 million dollars of lower line charges per year. That takes the total benefit of local trust ownership to around \$23 million per year for the TPCL customers, who are also trust beneficiaries," Mr Harper says.

Even if it's not shouted from the rooftops, TPCL is the province's most significant benefactor, Mr Harper says.

"We've always gone under the radar a bit. But we put a huge amount back to the community, particularly through our electricity discount that directly benefits individual consumers. We're also a major supporter of the Southland Warm Homes Trust, and a significant sponsorship partner for St John through the TPCL 50% shareholding in PowerNet."

Over nearly 30 years on TPCL's board, there's been plenty of highlights, Mr Harper says.

In recent years, the company has invested in the Southern Generation Ltd Partnership. The partnership focuses on renewable generation with two wind farms in Southland and Otago and a hydro-electric power station in the Bay of Plenty. This investment has been an important factor in continuing to grow the value of the business.



Alan Harper

Back in 2002, TPCL invested in Otago Power Ltd in a joint venture with Electricity Invercargill Ltd (EIL) and Marlborough Lines Ltd, known as OtagoNet Joint Venture (OJV). In 2014, TPCL increased its stake in OJV to 75.1%, with EIL owning the remainder.

TPCL has also recently further invested in the rapidly growing Queenstown Lakes area, through the Electricity Southland Ltd network. This represents a massive growth opportunity, Mr Harper says.

As important as TPCL's business success are the many outstanding people Mr Harper has worked alongside over the years, at every level across PowerNet Ltd.

"I've been fortunate to enjoy working with excellent directors over the years, and the business has changed so much that I never got bored. Today, it's such a different business—bigger and more diverse, with so much more to deal with."

Mr Harper has also valued the enduring and positive relationships among TPCL and EIL directors.

"It's a successful business partnership that's survived a long time, through diverse changes of ownership. That's not that common nowadays."

He paid tribute to the TPCL trustees and the board's "excellent working relationship with them."

While Mr Harper is also standing down from the board of PowerNet Ltd and as chair of the OtagoNet Joint Venture governance committee, he is not retiring completely. He will continue practicing commercial law in Queenstown, and retain other company directorships.

While he wants to move aside quietly, he is proud of what's been achieved by TPCL.

"The growth and incredible value that's now owned by the people of Southland is brilliant. We've always gone out of our way to be a business that supports the local economy."