all the little things

Quarterly Operating Report / March 2018

Overview

Mass market volume per customer for Q4-18 is marginally down vs the same period last year. Whilst overall electricity connections have dropped (due to Trustpower losing a small number of commercial customers with a large number of connections), Gas and Telco customer gains have more than offset this. Multi-product customer churn rates have increased over the last 12 months but continue to track well below market average.

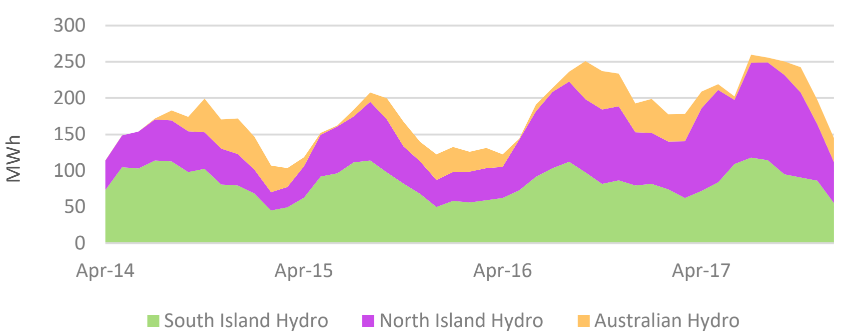
397,000 total utility accounts (up 2,000 for the quarter). We have nearly reached a milestone 100,000 customers with more than one service (up 2,000 for the quarter, and up 10,000 year-on-year). Approximately 79% of customer acquisitions in Q4-18 have taken 2+ products.

NZ wholesale prices averaged closer to normal levels this quarter, up 12% at Benmore and 5% at Otahuhu on the prior 10-year average across the period. NZ generation volumes were down 5% on the same quarter last year.

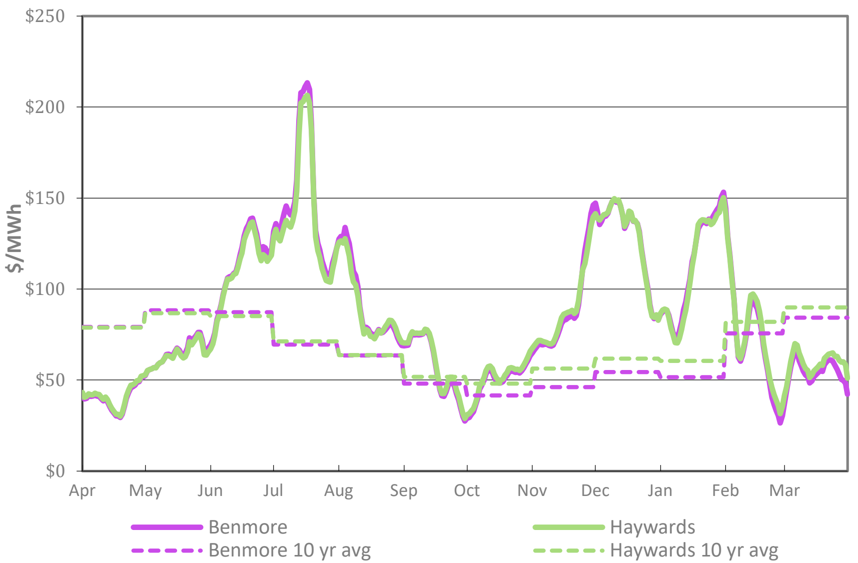
Australian volume is down 9% this quarter compared to same period last year, due to lower irrigation demand. However price has remained strong.

Wholesale electricity market

Monthly Generation Volumes



Weekly Average Prices - 12 Months to End of Mar 2018



$87/MWh New Zealand Load Weighted Average Price

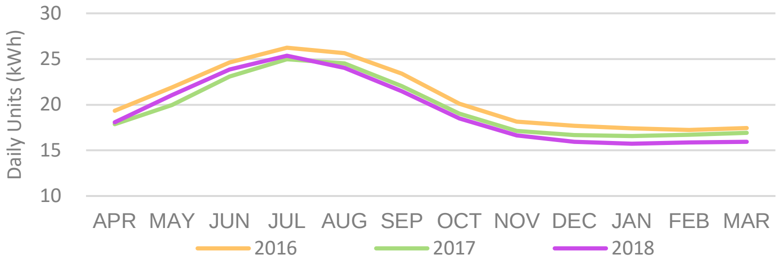
$83/MWh New Zealand Generation Weighted Average Price

A$93/MWh Australian Generation Weighted Average Price

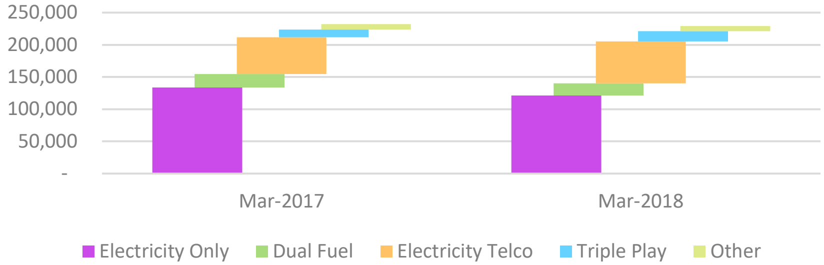
NOTE: Q4 Prices

Retail

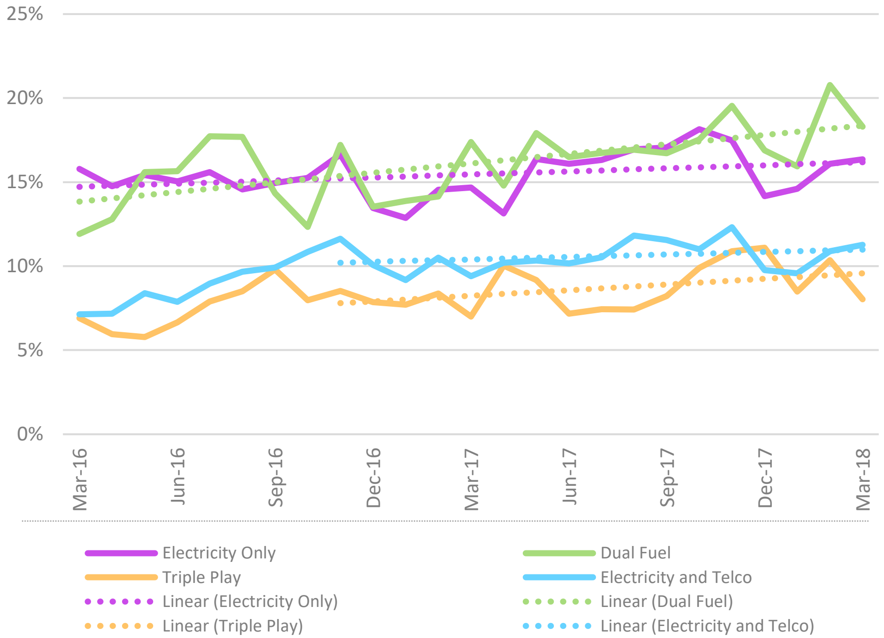
Average Mass Market Units Per Day



Customer Mix



Electricity Only vs Multi-Product Churn



NOTE: Excludes C&I customers

Operating stats

Customers, Sales and Service	3 Months March 2018	3 Months March 2017	12 Months March 2018	12 Months March 2017
Electricity connections (000s)	273	276	273	276
Telecommunication connections (000s)	87	76	87	76
Gas connections (000s)	37	33	37	33
Total utility accounts	397	385	397	385
Customers with two or more services (000s)	100	90	100	90
Mass market sales - Fixed Price (GWh)	349	392	1,784	1,895
Time of use sales - Fixed Price (GWh)	233	207	945	835
Time of use sales - Spot (GWh)	251	288	1,086	1,244
Total customer sales (GWh)	833	887	3,815	3,974
Average spot price of electricity purchased ($/MWh)	87	52	91	55
Gas Sales (TJ)	113	157	1,012	1,013
Annualised electricity customer churn rate	16%	16%	19%	17%
Annualised electricity customer churn rate - total market	19%	18%	21%	20%
Generation Production and Procurement				
North Island generation production (GWh)	226	214	1,209	1,010
South Island generation production (GWh)	200	218	1,026	1,007
Total New Zealand generation production (GWh)	426	432	2,235	2,017
Average spot price of electricity generated ($/MWh)	83	49	88	52
Net third party fixed price volume purchased (GWh)	421	489	1,539	1,726
Australian generation production (GWh)	111	122	284	359
Average spot price of electricity generated ($/MWh)	93	115	92	78
Other Information				
Resource consent non-compliance events*	0	5	5	15
Staff numbers (full time equivalents)	803	786	803	786

* Does not include unconfirmed non-compliance events currently being investigated.

Contact

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