all the little things

Quarterly Operating Report / June 2018

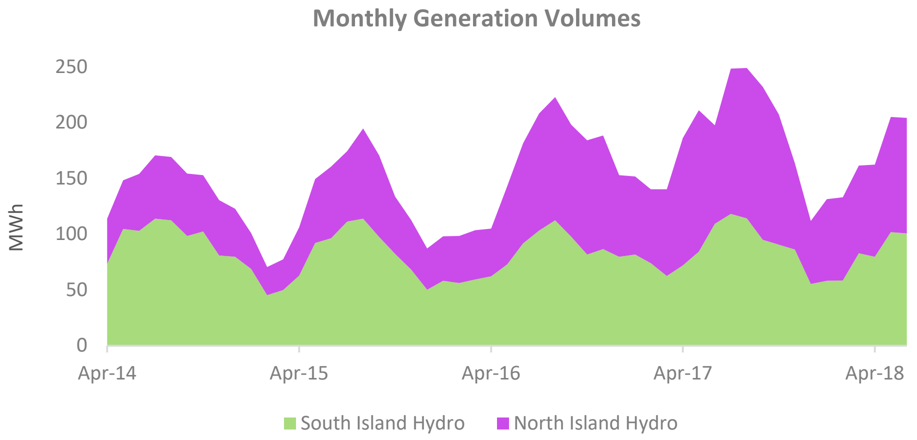
Overview

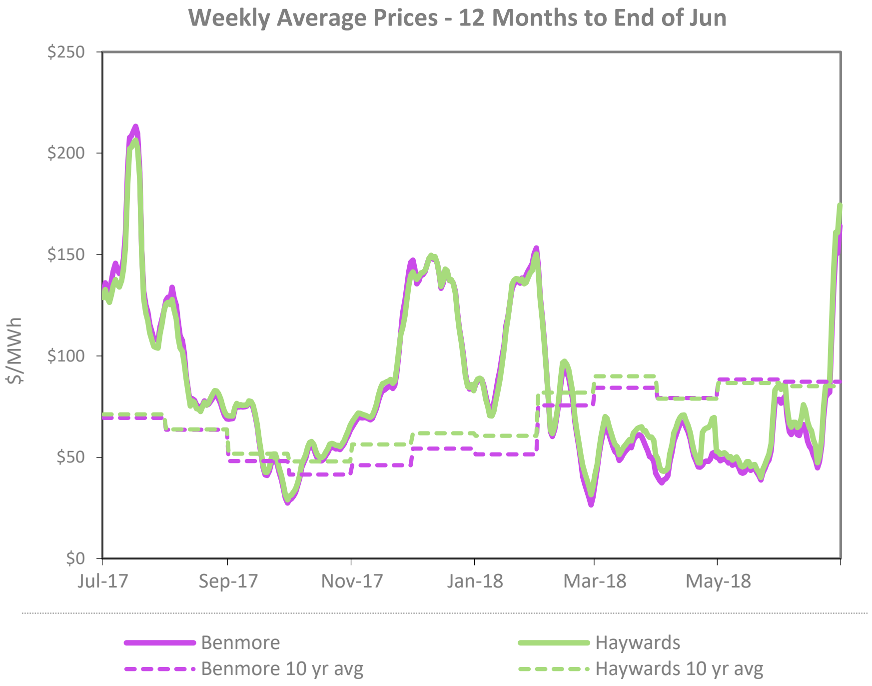
- Mass market volume per customer for Q1-19 is marginally lower than the same period last year (down 1.7% on average).
- Whilst overall electricity connections have dropped (due to Trustpower losing a small number of commercial customers with a large number of connections), Gas and Telco customer gains have more than offset this.
- Multi-product customer churn rates have settled over the last 12 months and continue to track well below market average.

- 397,000 total utility accounts (flat for the quarter, up 5,000 vs last year).
- We reached a milestone 100,000 customers with more than one service in Q1-19 (up 2,000 for the quarter, and up 7,000 year-on-year).
- Approximately 78% of customer acquisitions in Q1-19 have taken 2+ products.

- NZ wholesale prices were materially down on long run average this quarter, down -30% at Benmore and -23% at Otahuhu on the current 10-year average across the period.
- NZ generation volumes were down 4% on the same quarter last year, but up 14% compared to long run average.

Wholesale electricity market



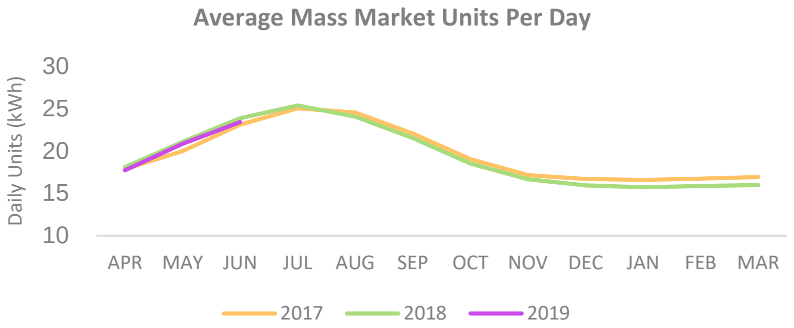


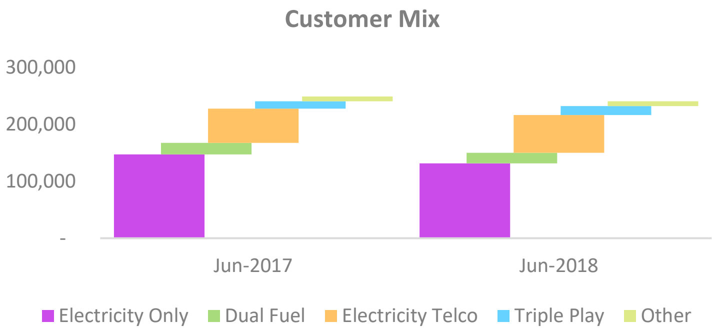
$80/MWh New Zealand Load Weighted Average Price

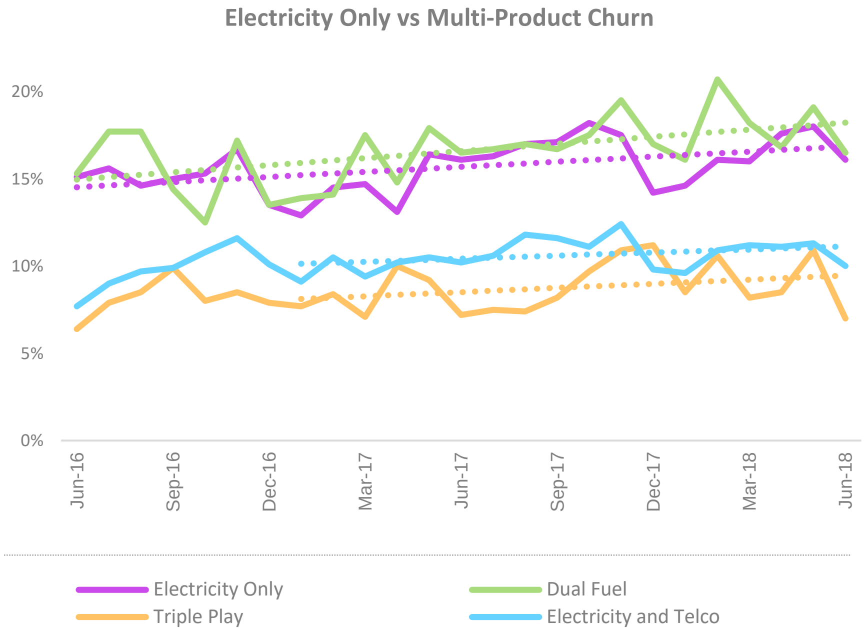
$78/MWh New Zealand Generation Weighted Average Price

NOTE: Q1 Prices

Retail







NOTE: Excludes C&I customers

Operating stats

Customers, Sales and Service	3 Months June 2018	3 Months June 2017	12 Months March 2018
Electricity connections (000s)	270	276	273
Telecommunication connections (000s)	89	79	87
Gas connections (000s)	38	37	37
Total utility accounts	397	392	397
Customers with two or more services (000s)	101	94	100
Mass market sales - Fixed Price (GWh)	488	476	1,784
Time of use sales - Fixed Price (GWh)	216	227	945
Time of use sales - Spot (GWh)	272	287	1,086
Total customer sales (GWh)	976	990	3,815
Average spot price of electricity purchased ($/MWh)	80	79	91
Gas Sales (TJ)	303	308	1,012
Annualised electricity ICP churn rate	20%	21%	19%
Annualised electricity ICP churn rate - total market	21%	21%	21%
Generation Production and Procurement			
North Island generation production (GWh)	289	330	1,209
South Island generation production (GWh)	282	266	1,026
Total New Zealand generation production (GWh)	571	595	2,235
Average spot price of electricity generated ($/MWh)	78	81	88
Net third party fixed price volume purchased (GWh)	423	409	1,539
Other Information			
Resource consent non-compliance events*	2	3	8
Staff numbers (full time equivalents)	805	782	803

* Events are recorded only when they have been confirmed as non-compliance events by the relevant regulatory authority.

Contact

Kevin Palmer
/ Company Secretary

021 471 779
kevin.palmer@trustpower.co.nz