

OPERATIONAL PERFORMANCE FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

Operational performance highlights:

- **586,480** electricity network connections, up 1.8% on December 2019
- **115,432** gas network connections, up 2.1% on December 2019
- **3.0%** lift in 9kg LPG bottle swaps compared to the six months ended 31 December 2019
- **8.6%** growth of advanced meter fleet since 31 December 2019 (total of 1,783,857 now installed across Aus/NZ)
- **Over 330,000** advanced meters now installed in Australian market

Commentary:

The six months to 31 December 2020 have seen Auckland's growth continue, in turn driving strong network connection numbers across Vector's electricity and gas networks. In the year to 31 December 2020, total electricity connection numbers grew by 1.8% compared to a year earlier. Electricity distributed volume for the six-month period was down 1.6% on the prior December half-year, driven by reduced activity from the industrial and commercial sectors due to COVID-19.

Auckland's continuing growth helped drive an uplift in gas distribution network customers, with a 2.1% increase in total connections compared to December 2019. Gas distribution volume over the six months was down 3.8% compared with the corresponding period in the prior year, again driven by reduced activity from the industrial and commercial sectors due to COVID-19.

Vector's metering business continues to perform in an increasingly competitive market both here and in Australia. Connection numbers increased by 8.6% on December 2019, with a total fleet of 1,783,857. We have now installed more than 330,000 advanced meters in Australia.

BottleSwap has seen a 3.0% increase in the number of 9kg bottles swapped in the six months compared with the prior December half-year.

On 31 March 2020, the group completed the sale of its interests in the Kapuni Gas Treatment Plant (KGTP) and co-generation facility. As a result of the sale of KGTP we have changed the methodology of calculating LPG volumes to reflect continuing activities only. LPG volumes include LPG sold by the group's OnGas business. LPG and natural gasoline sold by KGTP have been excluded as the plant is no longer owned. Comparatives have been restated.

Natural gas, LPG volumes and Liquigas LPG tolling are down on the December 2019 comparative period, with the 36.7% reduction in natural gas volumes driven primarily by the loss of a large customer in January 2020.

SAIDI minutes for the nine months ended 31 December 2020 are 21.4% lower than the comparable period, which is due to on-going network investments to improve resilience, working with our teams and contractors on initiatives to reduce impact on customers and fewer extreme weather events.

COVID-19 has impacted Vector's business operations during the six months to 31 December 2020, with New Zealand at alert level 2 and Auckland at alert level 3 for much of the first quarter. In Australia, our teams have also been impacted by various levels of Government restrictions. As a lifeline utility, Vector has continued to operate essential services during this period across its electricity, gas, fibre and metering businesses.

	6 months ended 31 December		
	2020	2019	% change
Electricity			
Customers ^{1, 5}	586,480	576,352	1.8%
New connections	7,777	6,625	17.4%
Net movement in customers ²	6,420	5,227	22.8%
Volume distributed (GWh)	4,324	4,396	(1.6%)
SAIDI (minutes) – 9 months to 31 December ³			
Normal operations – unplanned	71.5 ⁴	97.3	(26.5%)
Normal operations - planned	36.9	37.6	(1.9%)
Major network events	0.0	3.0	N/A
Total	108.4	137.9	(21.4%)
Gas Distribution			
Customers ^{1, 5}	115,432	113,094	2.1%
New connections	2,027	1,863	8.8%
Net movement in customers ²	1,472	1,452	1.4%
Distribution volume (PJ)	7.6	7.9	(3.8%)
Gas Trading			
Natural gas sales (PJ) ⁶	5.0	7.9	(36.7%)
LPG volumes (tonnes) ⁷	23,764	24,124	(1.5%)
9kg LPG bottles swapped ⁸	375,271	364,304	3.0%
Liquigas LPG tolling (tonnes) ⁹	55,239	56,761	(2.7%)
Metering			
Electricity: advanced meters ^{1, 10}	1,783,857	1,642,635	8.6%

1. As at 31 December.
2. Net number of customers added during the period, includes disconnected, reconnected and decommissioned ICPs.
3. SAIDI (minutes) for the 9 months ended 31 December 2020 is an unaudited value and subject to change.
4. SAIDI in relation to normal operations and major network events has been updated in accordance with the DPP3 regulatory guidelines.
5. Billable ICPs.
6. Excludes gas sold as gas liquids.
7. The group completed the sale of its interests in the Kapuni Gas Treatment Plant (KGTP) and co-generation facility on 31 March 2020. As a result, we have changed the methodology of calculating LPG volumes to reflect continuing activities only. LPG volumes include LPG sold by the OnGas business. LPG and natural gasoline sold by KGTP is now excluded. Comparatives have been restated to reflect this.
8. Number of 9kg LPG bottles swapped and sold during the year.
9. The group has revised the methodology for Liquigas LPG tolling to reflect new contractual terms and calculates product tolling domestic and exports. Product further tolled in South Island has been removed.
10. The number of advanced meters as at 31 December 2020 includes 172,894 meters managed but not owned by Vector (31 December 2020: 164,343).

The Excel version can be found at: <http://vector.co.nz/news>

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About Vector

Vector is an innovative New Zealand's energy company which runs a portfolio of businesses delivering energy and communication services to more than one million homes and commercial customers across Australasia and the Pacific. Vector is leading the country in creating a new energy future through its Symphony strategy which puts customers at the heart of the energy system. Vector is listed on the New Zealand Stock Exchange with ticker symbol VCT. Our majority shareholder, with voting rights of 75.1%, is Entrust. For further information, visit www.vector.co.nz