



Quarterly Operating Report

Q4-22 (Jan-Mar 2022)



Quarterly Insights

National storage slips below average

National storage continued to decline over the second half of the quarter, to be sitting at 97% of the 10-year average as of 31 March 2022. This is 43% higher than the same time last year.

Spot prices remain elevated

Weekly average spot prices have remained high since the start of the calendar year, with South Island prices averaging over \$140/MWh, and North Island prices averaging over \$150/MWh.

Hydro volumes slightly lower than pcg, up for the full year

Total hydro generation volumes were 5% lower than the pcg (298 GWh total) but up 3% on the pcg for the full financial year overall (1,760 GWh overall).

Forward electricity pricing increases materially

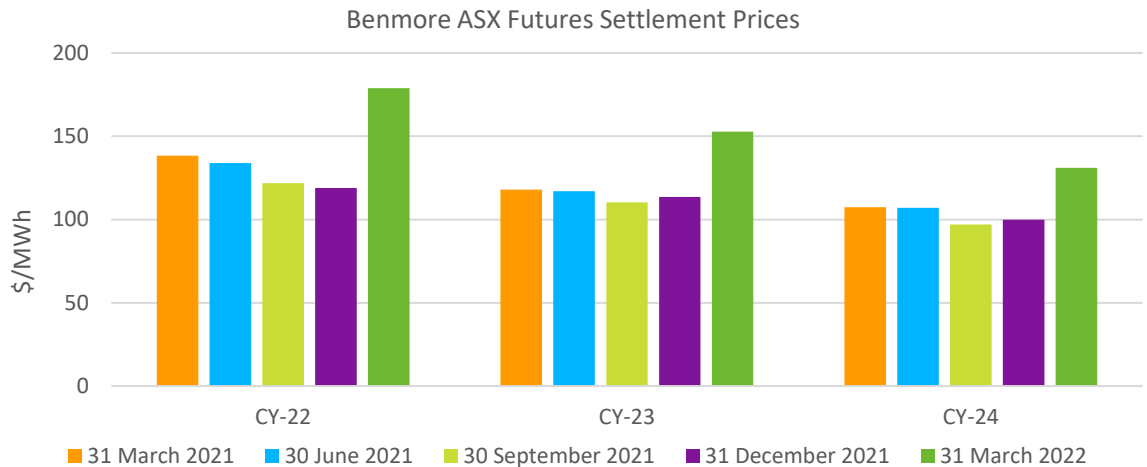
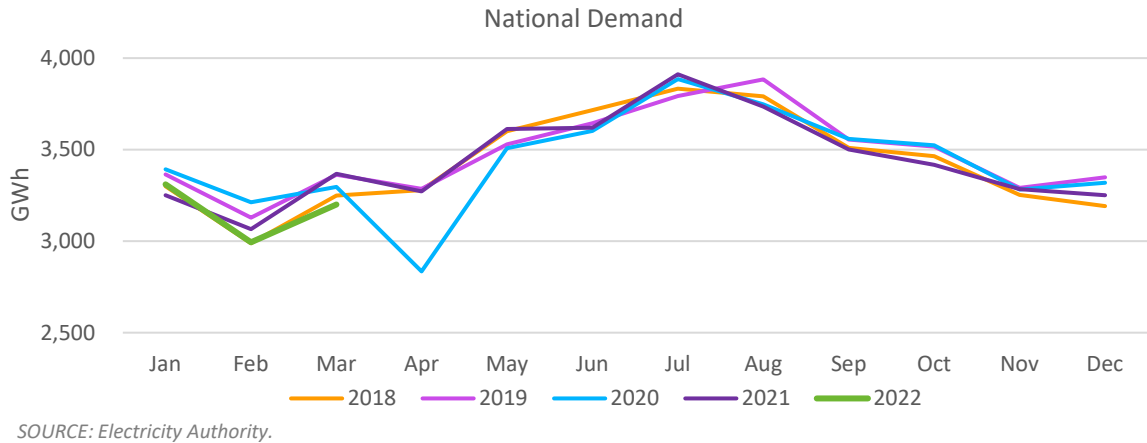
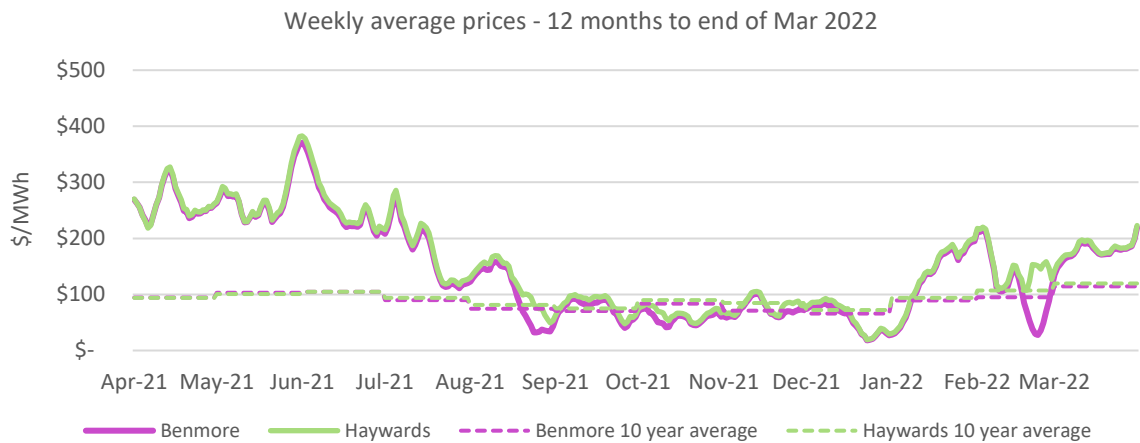
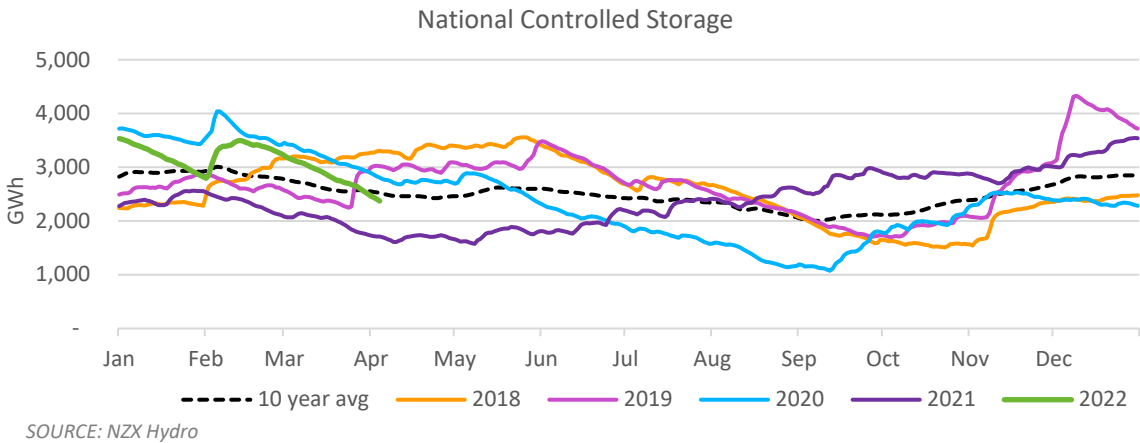
All future year ASX contracts have increased dramatically since the end of last quarter, with CY-22, CY-23, and CY-24 increasing by 50%, 35%, and 31% respectively.

Retail steady

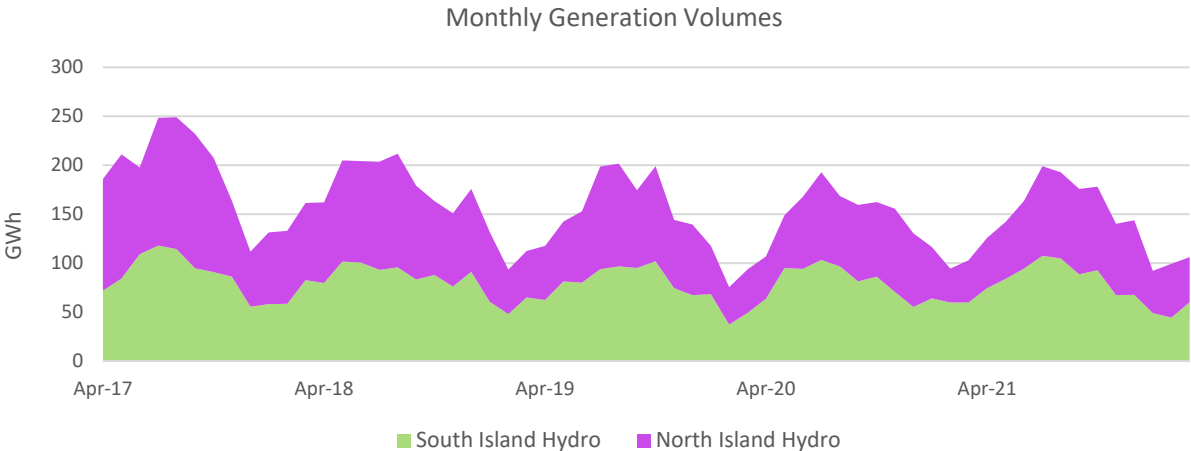
Q4-22 saw a continuation of steady growth in connections, telco customers, and fibre uptake.

Customer volumes were down 5% overall on the pcg, driven by a 7% reduction in the C&I segment, and a 4% reduction in the Mass Market segment.

Wholesale electricity market



Generation



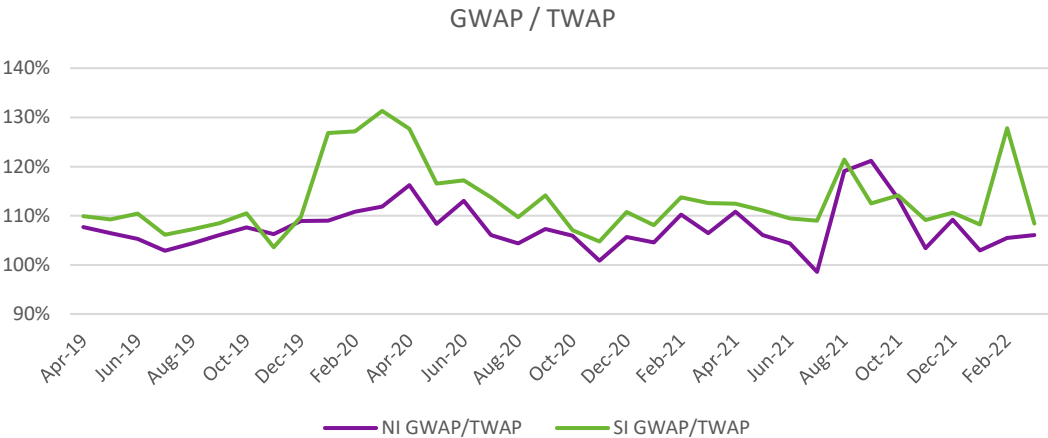
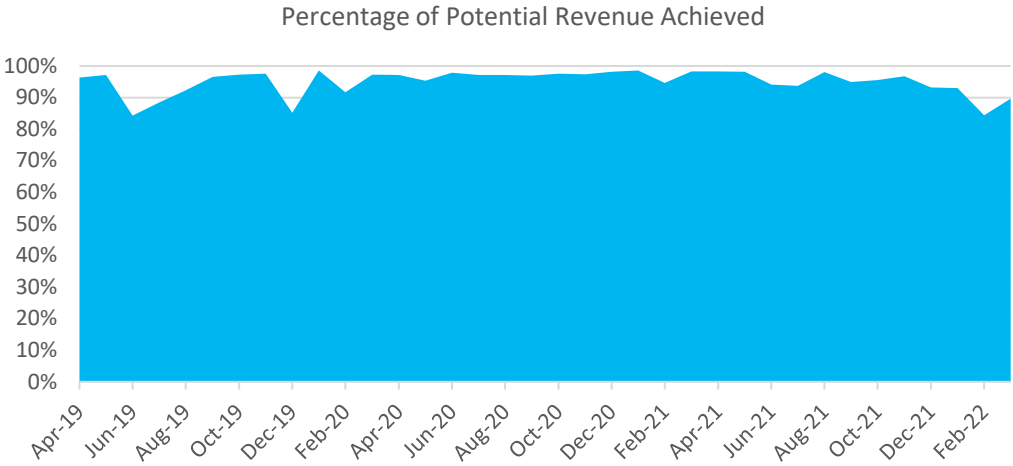
**Q4-22
NI Generation**
↑10%
vs pc

**Q4-22
SI Generation**
↓16%
vs pc

Q4-22 GWAP/TWAP
NI 1.04
SI 1.14

\$176/MWh New Zealand Load Weighted Average Price (LWAP)

\$171/MWh New Zealand Generation Weighted Average Price (GWAP)

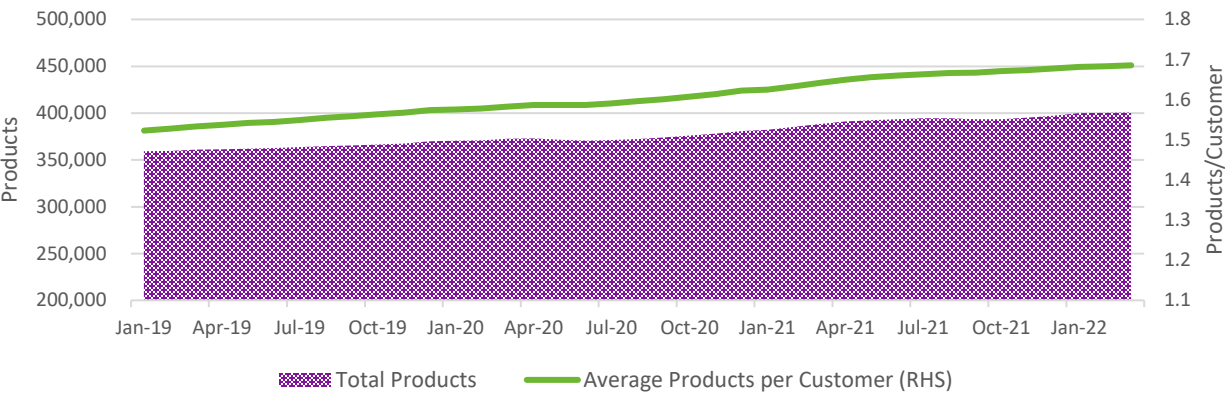


* See glossary for definitions

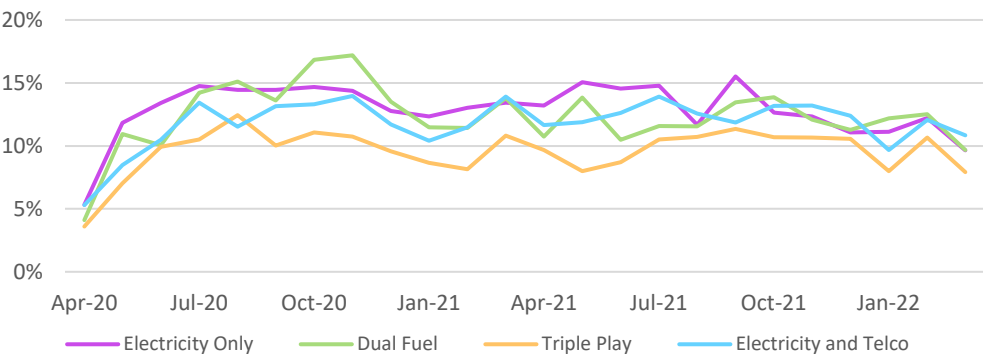


Retail

Average Products per Customer

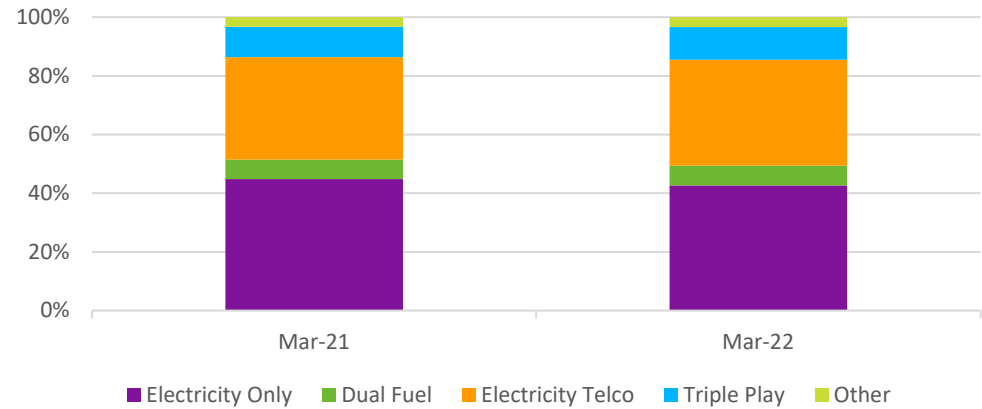


Electricity Only vs Multi-Product Churn



NOTE: Excludes C&I customers

Customer Mix



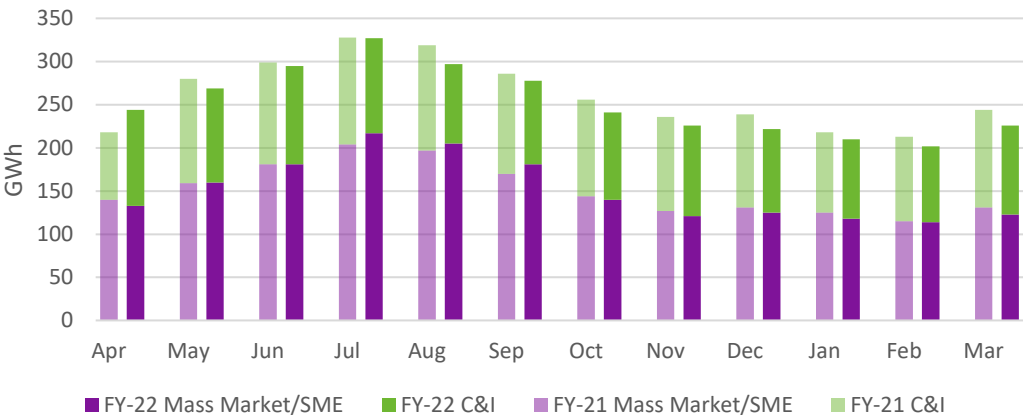
Q4-22 acquisitions
- 2+ products

84%

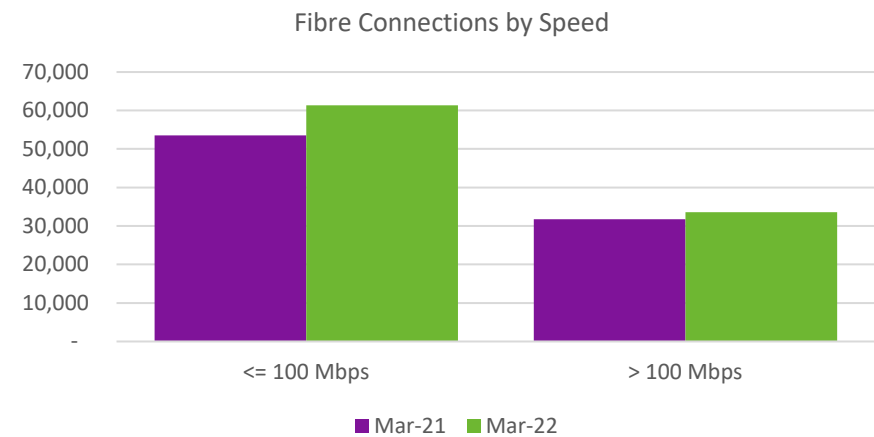
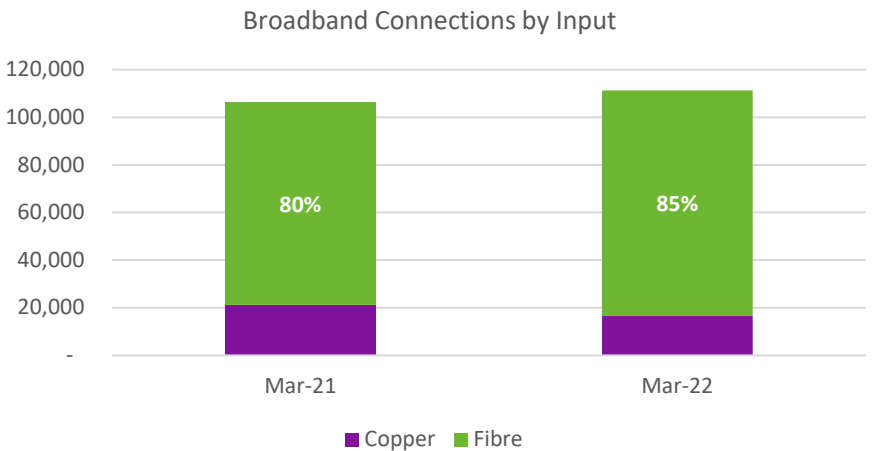
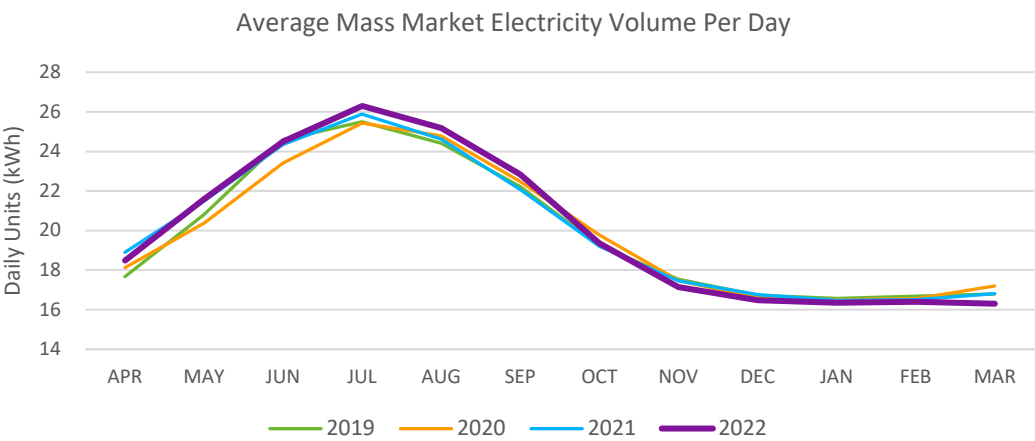
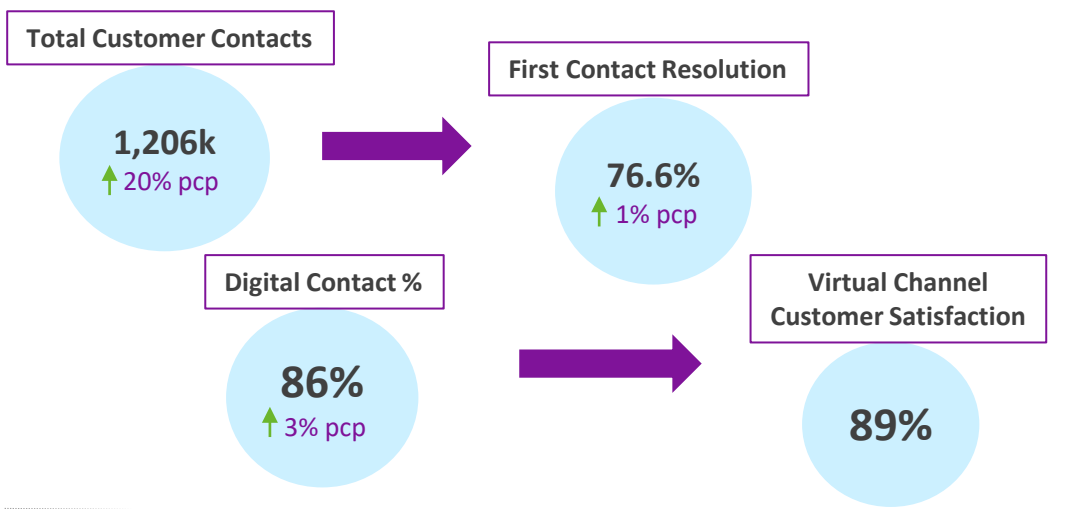
YoY customers
taking 2+
products

↑ 4.5%

Total Retail Sales Volumes



Retail



NZ UFB
Market Share
7.8%

NOTE: At Dec-21

Total Data
Usage (vs pcp)

↑ **11%**

Total Data
Usage per
customer (vs pcp)

↑ **5%**



Operating stats

	Q1 FY-20	Q1 FY-21	Q1 FY-22	Q2 FY-20	Q2 FY-21	Q2 FY-22	Q3 FY-20	Q3 FY-21	Q3 FY-22	Q4 FY-20	Q4 FY-21	Q4 FY-22
Customers, Sales and Service												
Electricity connections (000s)	266	264	265	266	263	264	266	264	266	266	265	267
Telecommunication connections (000s)	98	104	114	100	106	114	103	108	115	104	112	117
Gas connections (000s)	39	41	45	40	42	45	41	43	46	41	44	47
Total utility accounts (000s)	403	409	424	406	411	423	410	415	427	411	421	431
Customers with two or more services (000s)	109	115	125	111	117	125	114	120	127	116	123	129
Mobile connections (000s)	-	-	9	-	1	10	-	4	11	-	6	12
Mass market sales - Fixed Price (GWh)	453	480	474	572	571	603	421	402	387	371	371	355
Time of use sales - Fixed Price (GWh)	210	113	104	208	137	102	223	125	104	185	108	97
Time of use sales - Spot (GWh)	271	204	231	275	224	196	224	203	200	202	195	186
Total customer sales (GWh)	934	797	809	1,055	932	901	868	730	691	758	674	638
Average spot price of electricity purchased (\$/MWh)***	115	128	288	126	140	156	105	116	75	79	219	176
Gas Sales (TJ)	266	301	271	370	408	433	196	183	197	154	147	146
Annualised electricity ICP churn rate*	18%	13%	18%	18%	19%	16%	17%	18%	16%	16%	17%	15%
Annualised electricity ICP churn rate - total market*	20%	15%	21%	22%	22%	17%	19%	21%	18%	19%	20%	18%
Generation Production and Procurement												
North Island generation production (GWh)	189	171	179	289	240	267	238	236	235	132	130	144
South Island generation production (GWh)	224	253	253	286	282	301	244	213	228	155	184	154
Total New Zealand generation production (GWh)	413	424	432	575	521	568	483	449	462	287	314	298
Average spot price of electricity generated (\$/MWh)***	110	130	287	122	139	148	103	112	72	79	218	171
Net third party fixed price volume purchased (GWh)	393	244	244	387	243	222	346	223	219	386	249	247
Other Information												
Resource consent non-compliance events**	6	1	1	3	2	2	6	6	2	6	1	-
Recordable Injuries	-	-	1	2	3	2	1	-	1	-	2	2
Staff numbers (full time equivalents)	779	806	790	812	813	766	814	816	789	809	801	777

* Churn statistics are calculated using market data available up to February 2022.

** Events are recorded only when they have been confirmed as non-compliance events by the relevant regulatory authority. The number of historically reported non-compliant events are subject to change given timings in confirmation of non-compliance.

*** Provisional prices for August 9th have been used within calculations

Operating stats

	YTD FY-20	YTD FY-21	YTD FY-22	Full Year FY-20	Full Year FY-21	Full Year FY-22
Customers, Sales and Service						
Electricity connections (000s)	266	265	267	266	265	267
Telecommunication connections (000s)	104	112	117	104	112	117
Gas connections (000s)	41	44	47	41	44	47
Total utility accounts	411	421	431	411	421	431
Customers with two or more services (000s)	116	123	129	116	123	129
Mobile connections (000s)	-	6	12	-	6	12
Mass market sales - Fixed Price (GWh)	1,817	1,824	1,819	1,817	1,824	1,819
Time of use sales - Fixed Price (GWh)	826	483	407	826	483	407
Time of use sales - Spot (GWh)	972	826	813	972	826	813
Total customer sales (GWh)	3,615	3,133	3,039	3,615	3,133	3,039
Average spot price of electricity purchased (\$/MWh)	108	147	176	108	147	176
Gas Sales (TJ)	986	1,039	1,047	986	1,039	1,047
Annualised electricity ICP churn rate*	17%	17%	17%	17%	17%	17%
Annualised electricity ICP churn rate - total market*	20%	19%	18%	20%	19%	18%
Generation Production and Procurement						
North Island generation production (GWh)	849	777	824	849	777	824
South Island generation production (GWh)	910	931	936	910	931	936
Total New Zealand generation production (GWh)	1,759	1,708	1,760	1,759	1,708	1,760
Average spot price of electricity generated (\$/MWh)	107	144	166	107	144	166
Net third party fixed price volume purchased (GWh)	1,512	959	932	1,512	959	932
Resource consent non-compliance events**	21	10	5	21	10	5
Recordable Injuries	3	5	6	3	5	6
Staff numbers (full time equivalents)	809	801	777	809	801	777

* Churn statistics are calculated using market data available up to February 2022

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Glossary

Term	Definition
ACPU	Average Cost Per User. Direct costs (COS) only – does not include CTS
AMPU	Average Margin Per User – difference between ARPU and ACPU
ARPU	Average Revenue Per User. Includes acquisition capitalisation and amortisation
Asset Availability	Total hours asset(s) available or operating/Total hours in month. Excl planned outages.
Bundled Customer	Customer that has 2+ products with Trustpower
C&I	Commercial and Industrial customers
Customer Churn	The rate of attrition of customers expressed as an annualised percentage. Customer churn is only counted if we lose the customer (not individual products or moves).
Customer Contact	A channel-agnostic interaction with a customer
Digital Contact	% of customer interactions that are via digital channels. Note: prior to September 2019 Trustpower only reported digital contacts that it considered displaced a staffed contact. In line with industry practice we now report all digital contacts.
E-Bill	Receives their bill electronically rather than post

Term	Definition
EOM	End Of Month
First contact resolution (FCR)	Where the customers reason for contacting is resolved at first point of contact. Does not count if they contact again within 14 days.
FTE	Full Time Equivalent
Gross Margin	Gross Revenue – Direct Cost of Sales
GWAP	Generation Weighted Average Price – Average revenue per unit reference to Benmore for South Island and Whakamaru for North Island
GWh	Gigawatt hour(s) – unit of energy
Input	Broadband connections segmented by delivery type
ISP	Internet Service Provider
KCE	King Country Energy
LY	Last year

Glossary

Term	Definition
LWAP	Load Weighted Average Price – Average cost of energy per unit for the retail business
Main lakes	Waipori, Cobb and Coleridge schemes.
Market Share	Total Trustpower fibre connections / total NZ fibre connections.
Mbps	Megabytes per second (measure of internet data transfer speed)
MM	Mass Market customers
MWh	Megawatt hour(s) – unit of energy
Netflix Ranking	Published monthly on ispspeedindex.netflix.com/country/new-zealand
NI	North Island
OPEX	Operating expenditure
Pcp	Prior corresponding period
Percentage of Potential Revenue Achieved	Total monthly Trustpower (excluding KCE) generation spot revenue less the value of lost market revenue due to outages, expressed as a percentage.
PoP	A physical location that houses telco equipment. (Point of Presence)

Term	Definition
Product	Electricity, Telco, Gas, or LPG. If one customer has multiple connections for a product, the product only counts once.
Recordable Injury	Lost Time and Medical Treatment Injuries
Rev	Revenue
SI	South Island
SME	Small-Medium Enterprise
Speed	Slower: <100 Mbps, Medium: 100 Mbps, Fast: >100 Mbps
TRIFR	Total Reportable Injury Frequency Rate. Measured per 200,000 hours.
TWAP	Time-Weighted Average Price
Var	Variance
Virtual Channel Customer Satisfaction	The satisfaction rating of digital channels that are non-staffed (including Bot, App and Virtual Agents)
YoY	Year-On-Year
YTD	Year-To-Date



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Q4-22

