



# Quarterly Operating Report

Q2-22



# Quarterly Insights

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## **National storage on the up**

National storage recovered strongly over the quarter to end up at 138% of average. Storage was at 85% at the start of the quarter.

## **Forward wholesale pricing remains firm**

All future ASX calendar year prices have declined since last quarter, although future pricing remains firm. Spot prices have edged lower over the quarter.

## **Hydro volumes better than pcg**

Hydro generation volumes were 9% higher than the pcg due to a return to more normal levels of inflows. Last year was impacted by severe drought conditions in the North Island.

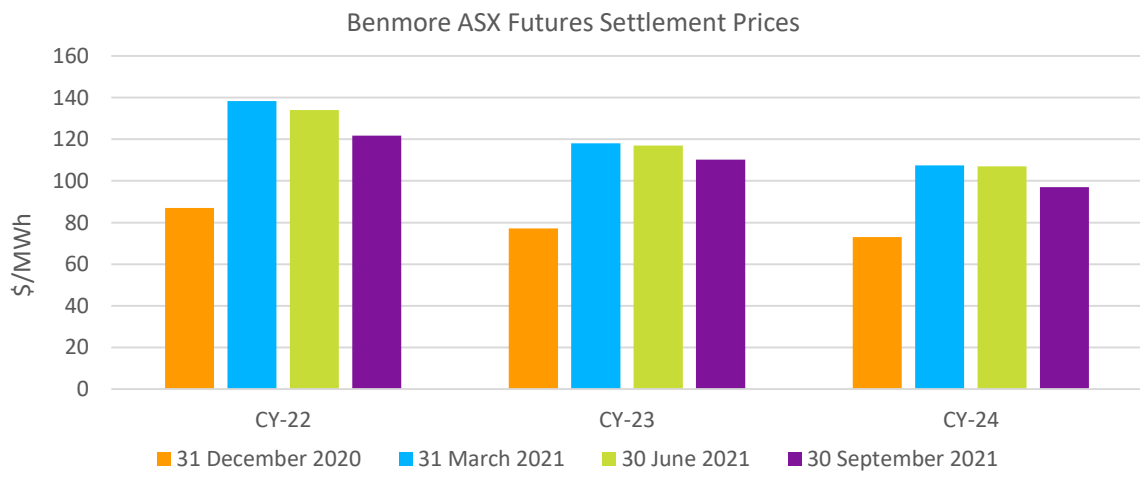
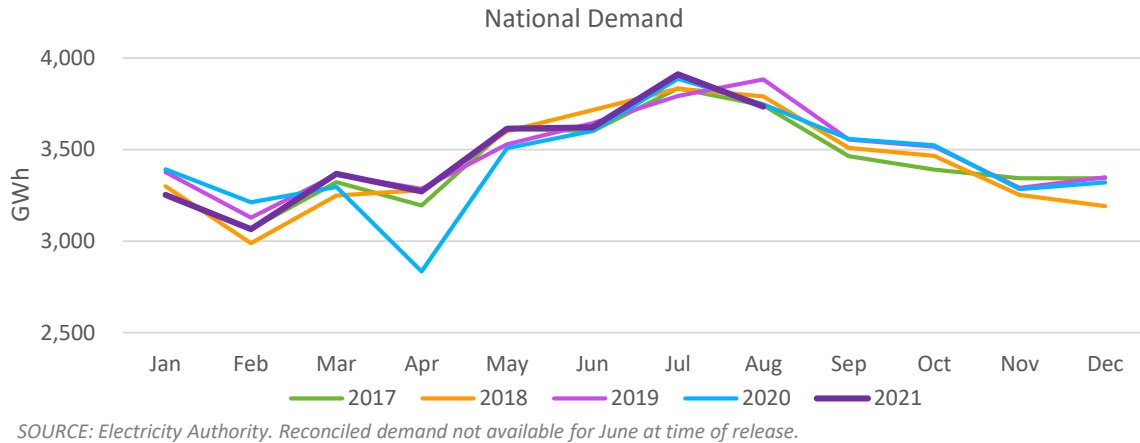
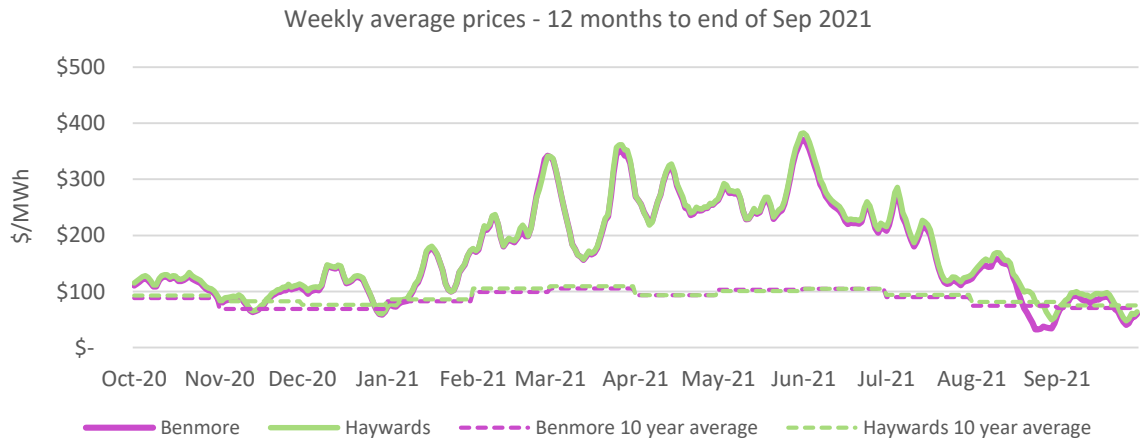
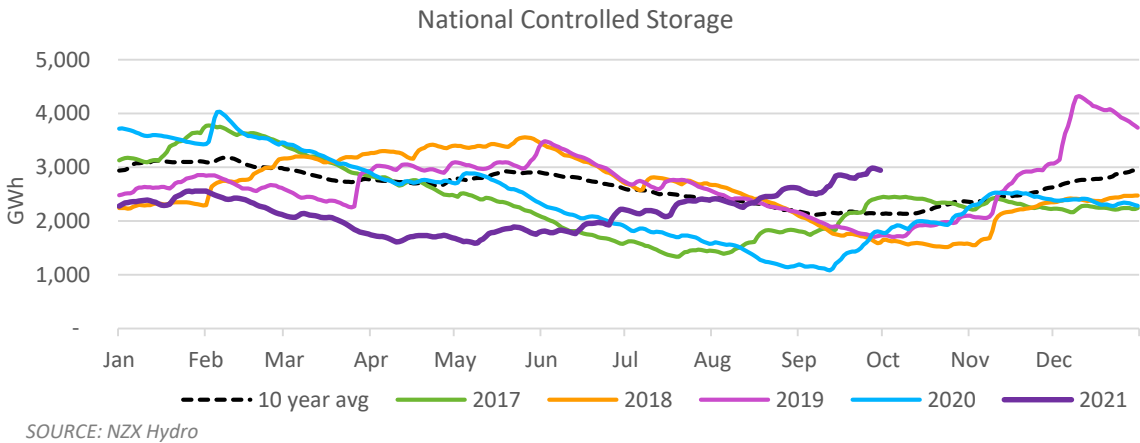
## **Generation plant utilised well**

Selective placement of our stored water resulted in premium pricing over average prices for both our North Island and South Island generation volumes.

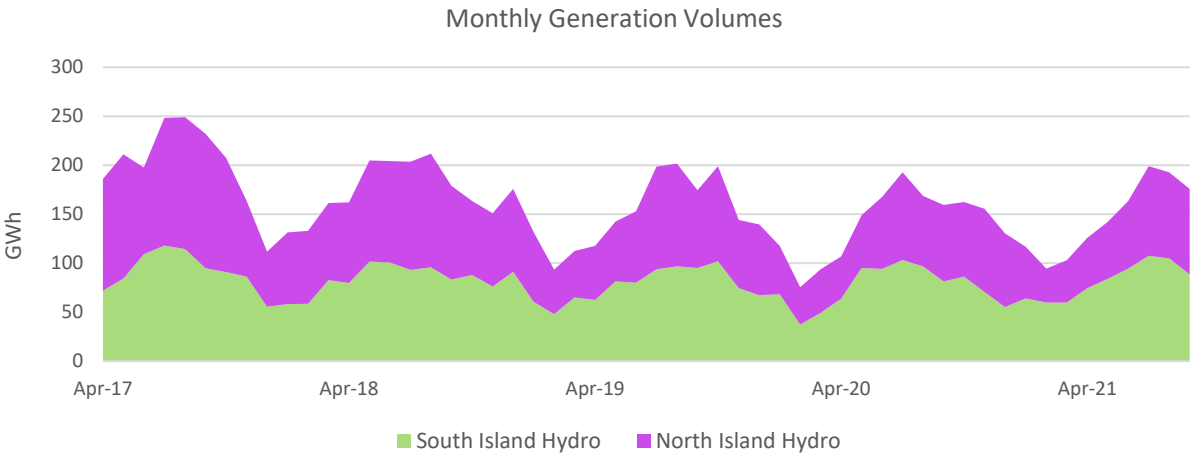
## **Retail growth steady**

All retail metrics continue to show positive momentum over the quarter, despite further COVID disruption. Fibre uptake and speed, bundled customers, mobile connections, products per customer, and digital uptake all increased over the pcg.

# Wholesale electricity market



# Generation



**Q2-22**  
**NI Generation**  
↑ **11%**  
vs pcg

**Q2-22**  
**SI Generation**  
↑ **7%**  
vs pcg

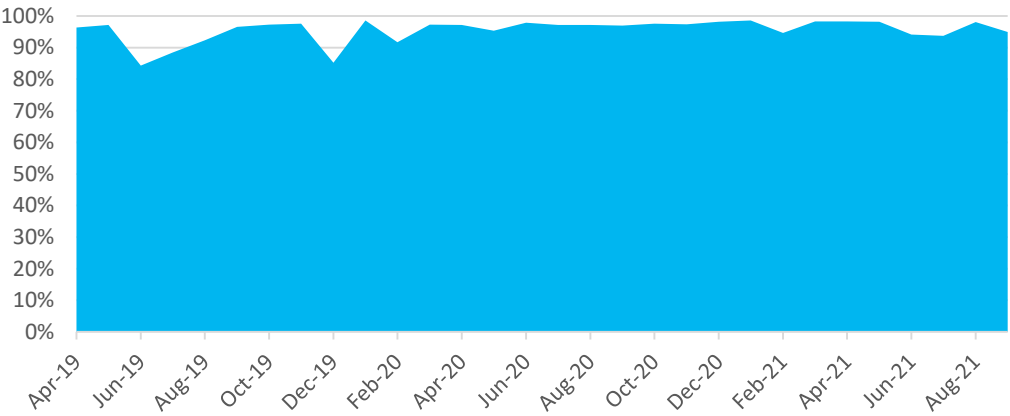
**Q2-22 GWAP/TWAP**  
**NI** **1.11**  
**SI** **1.16**

**\$155/MWh** New Zealand Load Weighted Average Price (LWAP)

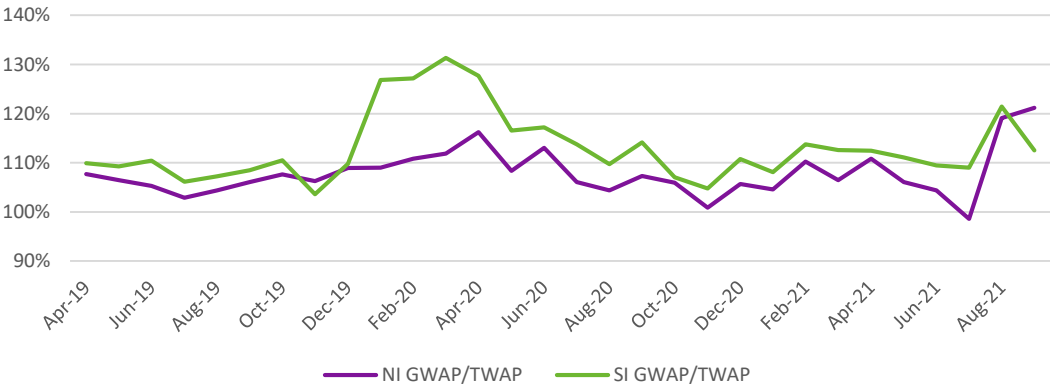
**\$148/MWh** New Zealand Generation Weighted Average Price (GWAP)

NOTE: Q2 Prices include the provisional \$10,000 pricing on the 9<sup>th</sup> of August

Percentage of Potential Revenue Achieved



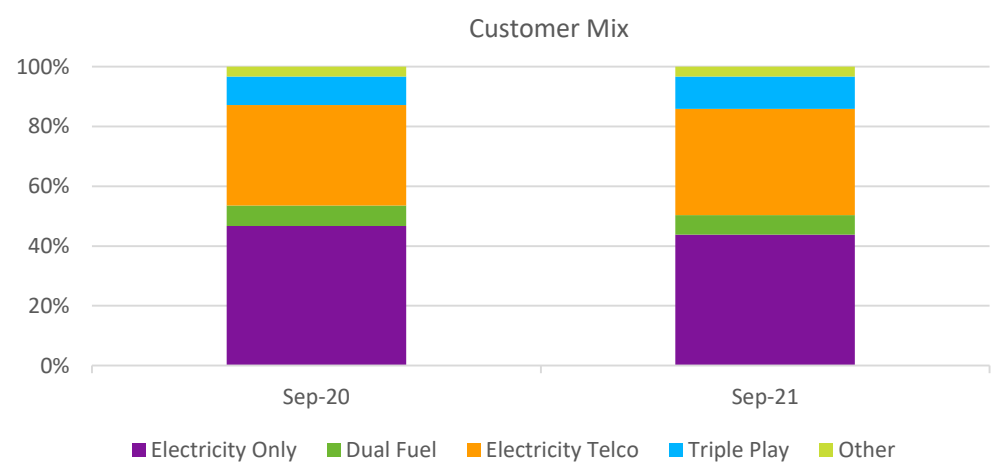
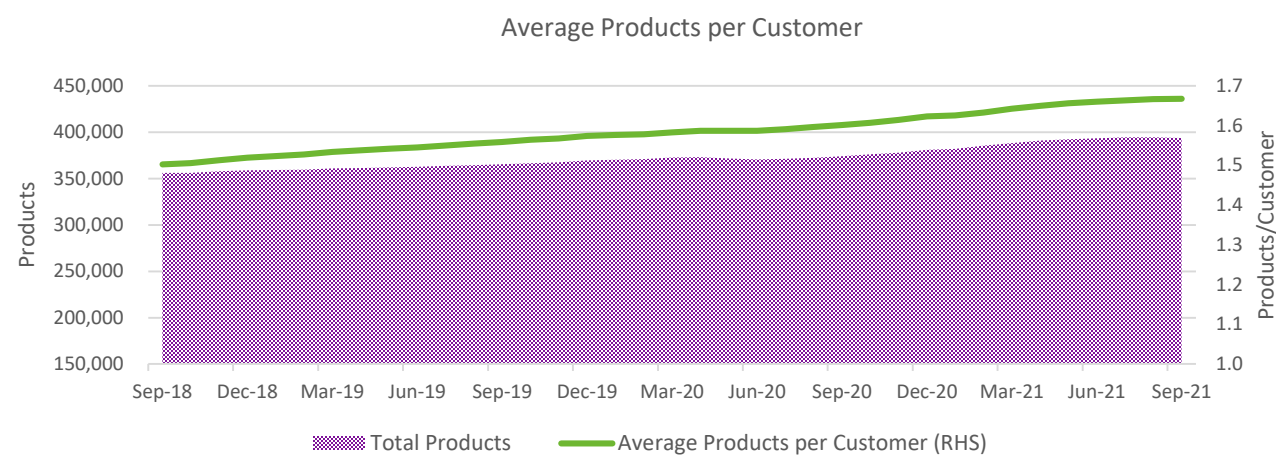
GWAP / TWAP



\* See glossary for definitions



# Retail

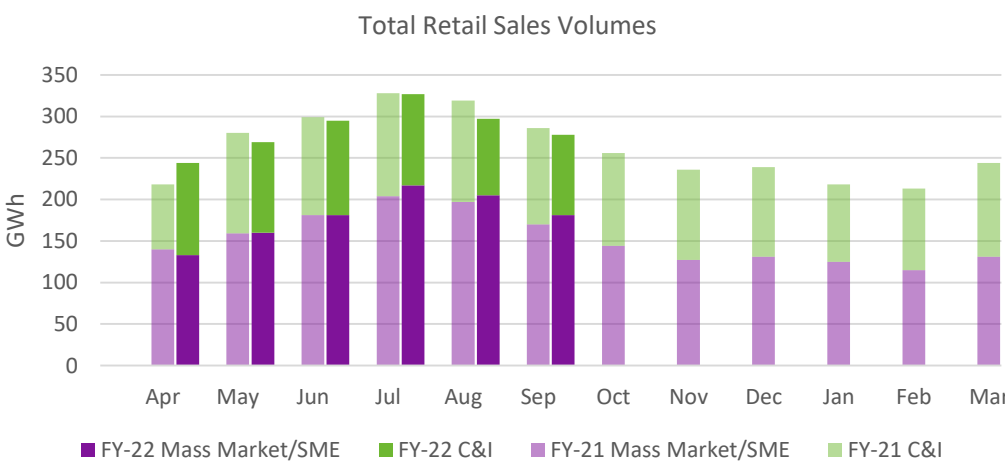
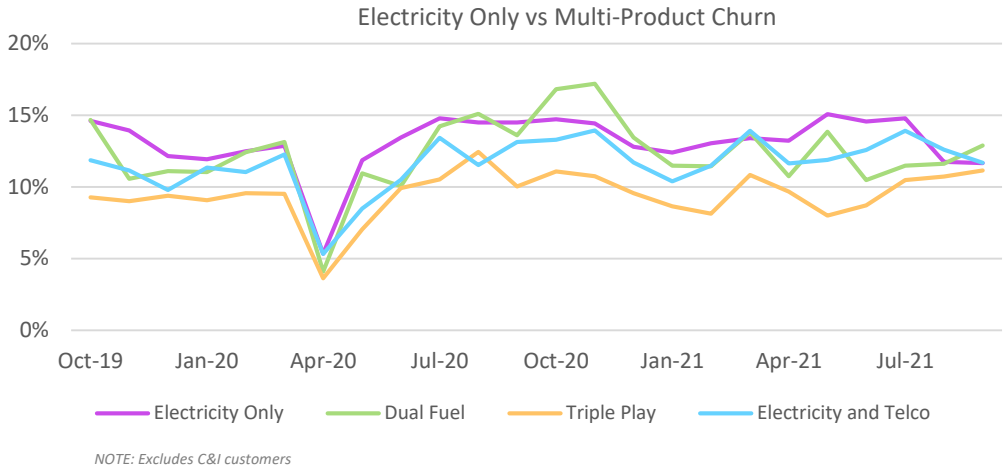


**Q1-21 acquisitions  
- 2+ products**

**81%**

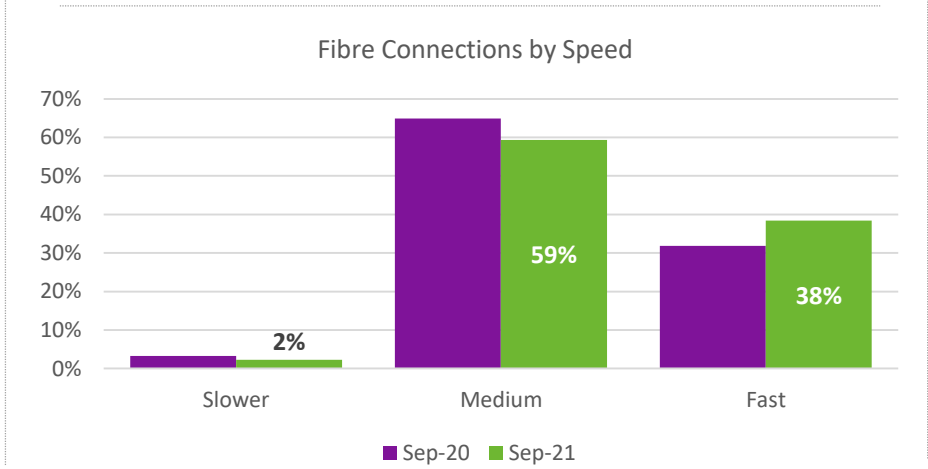
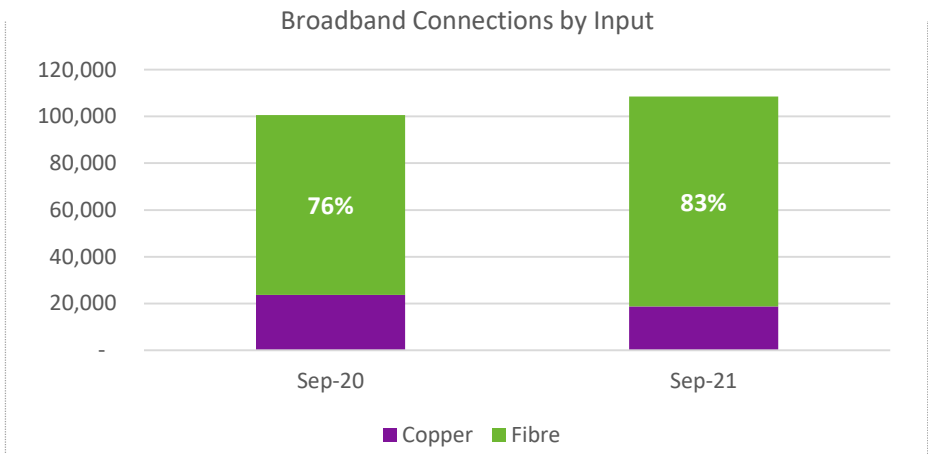
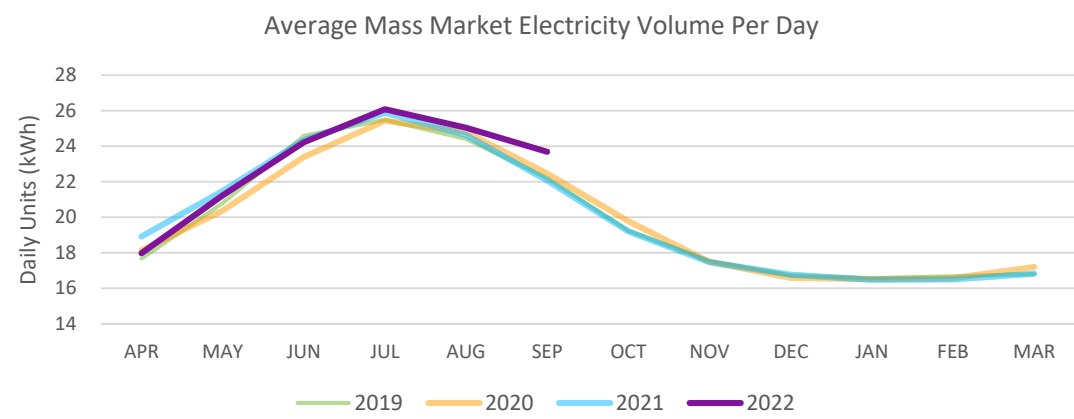
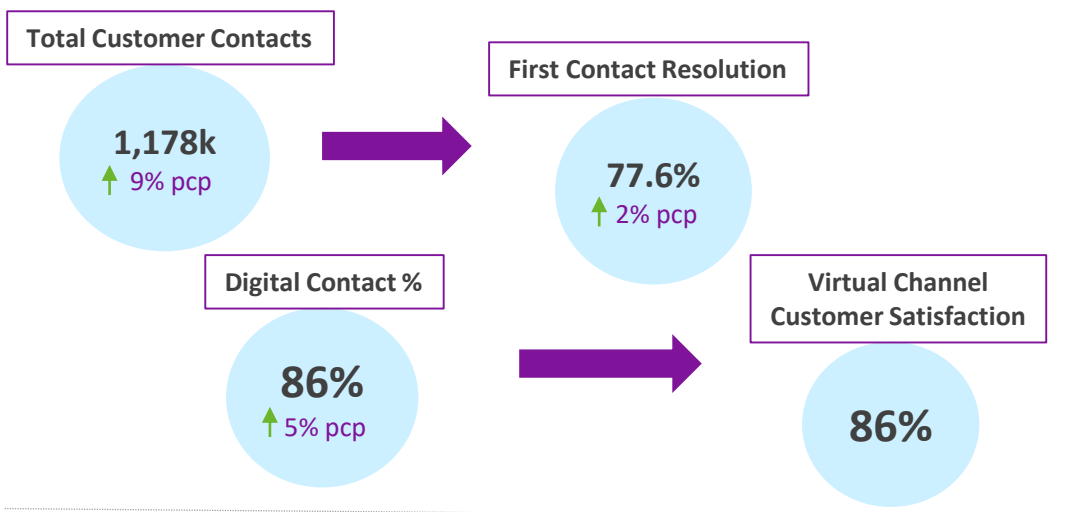
**YoY customers  
taking 2+  
products**

**↑ 6.9%**





# Retail



**NZ UFB Market Share**  
**7.7%**  
NOTE: At Jun-21

**Total Data Usage (vs pcp)**  
**↑ 29%**

**Total Data Usage per customer (vs pcp)**  
**↑ 18%**



# 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
<b>Customers, Sales and Service</b>												
Electricity connections (000s)	266	264	265	266	263	265	266	264		266	265	
Telecommunication connections (000s)	98	104	114	100	106	114	103	108		104	112	
Gas connections (000s)	39	41	45	40	42	45	41	43		41	44	
Total utility accounts (000s)	403	409	424	406	411	424	410	415		411	421	
Customers with two or more services (000s)	109	115	125	111	117	125	114	120		116	123	
Mobile connections (000s)	-	-	9	-	1	10	-	4		-	6	
Mass market sales - Fixed Price (GWh)	453	480	474	572	571	474	421	402		371	371	
Time of use sales - Fixed Price (GWh)	210	113	104	208	137	102	223	125		185	108	
Time of use sales - Spot (GWh)	271	204	231	275	224	196	224	203		202	195	
<b>Total customer sales (GWh)</b>	<b>934</b>	<b>797</b>	<b>809</b>	<b>1,055</b>	<b>932</b>	<b>772</b>	<b>868</b>	<b>730</b>		<b>758</b>	<b>674</b>	
Average spot price of electricity purchased (\$/MWh)***	115	128	288	126	140	155	105	116		79	218	
Gas Sales (TJ)	266	301	297	370	408	492	196	183		154	147	
Annualised electricity ICP churn rate*	18%	13%	18%	18%	19%	17%	17%	18%		17%	17%	
Annualised electricity ICP churn rate - total market*	20%	15%	21%	22%	22%	18%	19%	21%		19%	20%	
<b>Generation Production and Procurement</b>												
North Island generation production (GWh)	189	171	179	289	240	267	238	236		132	130	
South Island generation production (GWh)	224	253	253	286	282	301	244	213		155	184	
<b>Total New Zealand generation production (GWh)</b>	<b>413</b>	<b>424</b>	<b>432</b>	<b>575</b>	<b>521</b>	<b>568</b>	<b>483</b>	<b>449</b>		<b>287</b>	<b>314</b>	
Average spot price of electricity generated (\$/MWh)***	110	130	287	122	139	148	103	112		79	218	
Net third party fixed price volume purchased (GWh)	393	244	244	387	243	222	346	223		386	249	
<b>Other Information</b>												
Resource consent non-compliance events**	6	1	1	3	2	2	6	6		6	1	
Recordable Injuries	-	-	1	2	3	2	1	-		-	2	
Staff numbers (full time equivalents)	779	806	790	812	813	766	814	816		809	801	

\* Churn statistics are calculated using market data available up to May 2021

\*\* 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 9<sup>th</sup> 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
<b>Customers, Sales and Service</b>						
Electricity connections (000s)	266	263	265	266	265	
Telecommunication connections (000s)	100	106	114	104	112	
Gas connections (000s)	40	42	45	41	44	
Total utility accounts	406	411	424	411	421	
Customers with two or more services (000s)	111	117	125	116	123	
Mobile connections (000s)	-	1	10	-	6	
Mass market sales - Fixed Price (GWh)	1,025	1,051	948	1,817	1,824	
Time of use sales - Fixed Price (GWh)	418	250	206	826	483	
Time of use sales - Spot (GWh)	546	428	427	972	826	
<b>Total customer sales (GWh)</b>	<b>1,989</b>	<b>1,729</b>	<b>1,581</b>	<b>3,615</b>	<b>3,133</b>	
Average spot price of electricity purchased (\$/MWh)	126	140	216	131	108	
Gas Sales (TJ)	636	709	789	986	1,039	
Annualised electricity ICP churn rate*	18%	16%	18%	17%	17%	
Annualised electricity ICP churn rate - total market*	21%	19%	20%	20%	19%	
<b>Generation Production and Procurement</b>						
North Island generation production (GWh)	479	410	446	849	777	
South Island generation production (GWh)	510	535	554	910	931	
<b>Total New Zealand generation production (GWh)</b>	<b>989</b>	<b>945</b>	<b>1,000</b>	<b>1,759</b>	<b>1,708</b>	
Average spot price of electricity generated (\$/MWh)	122	139	208	125	107	
Net third party fixed price volume purchased (GWh)	780	487	466	1,512	959	
Resource consent non-compliance events**	9	3	3	21	10	
Recordable Injuries	2	3	3	3	5	
Staff numbers (full time equivalents)	812	813	766	809	801	

\* Churn statistics are calculated using market data available up to May 2021

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

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



## Contact

**Kevin Palmer**  
/ Chief Financial Officer & Company Secretary  
0800 871 111  
[companysecretary@trustpower.co.nz](mailto:companysecretary@trustpower.co.nz)

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