



**Annual Customer  
Meeting  
26 July 2019**



**Elec**

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*The Trust is encouraged by the company's work in further developing a forward looking strategy to focus on and invest in our region. This builds on the already excellent reputation Electra has established. At a time of change and challenge in the energy sector our owners can be assured their interests continue to be paramount.*

**SHARON CROSBIE CNZM OBE CHAIR**

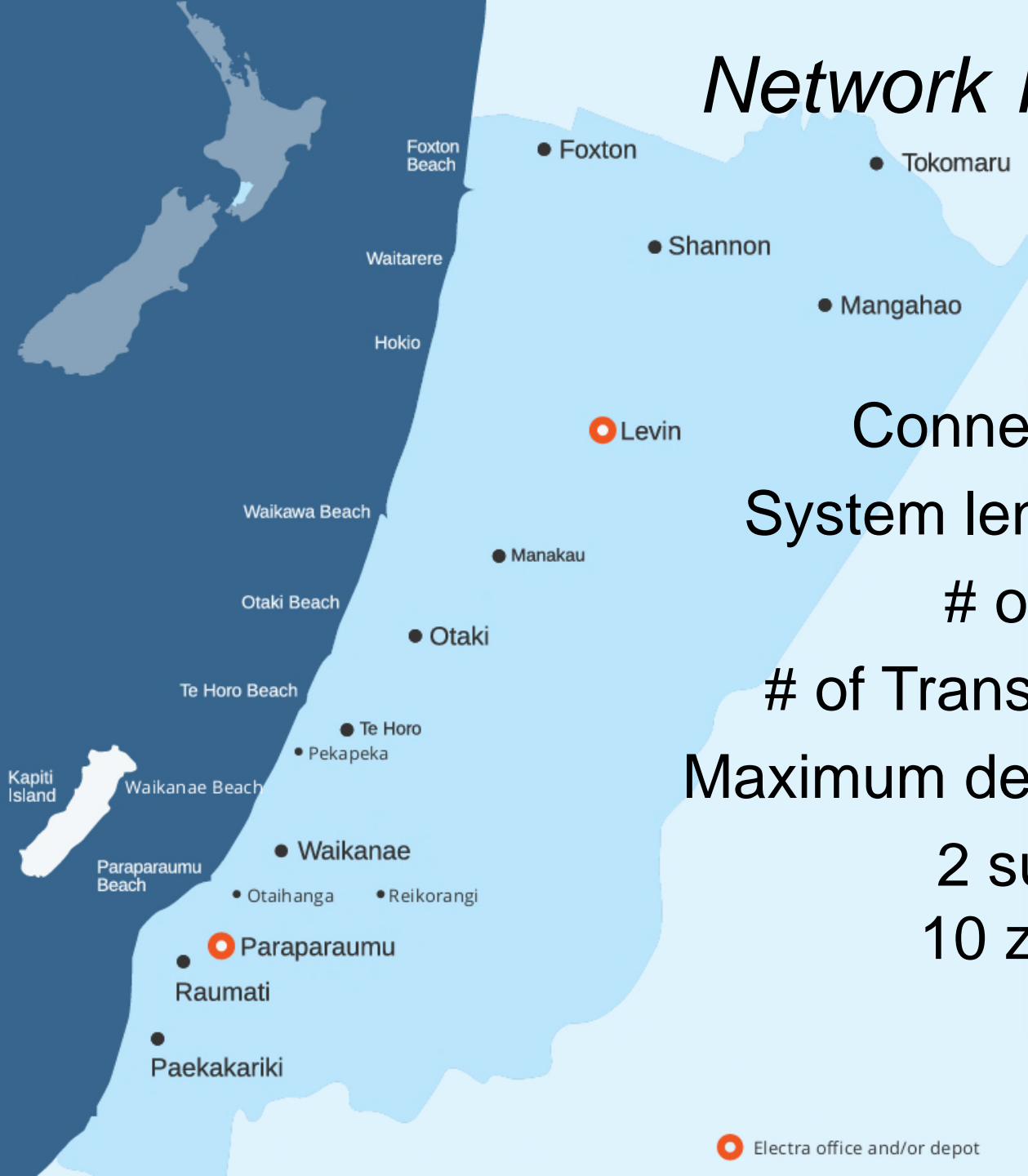


*Over the last 26 years we are proud to have been able to deliver more than*  
**\$196m** *in sales discounts to the consumers on the Electra network.*

**\$9.1M**

IN SALES DISCOUNTS  
ISSUED IN 2019

# Network Information



Connections – 45,070

System length – 2,289kms

# of poles – 20,291

# of Transformers – 2,553

Maximum demand – 102MW

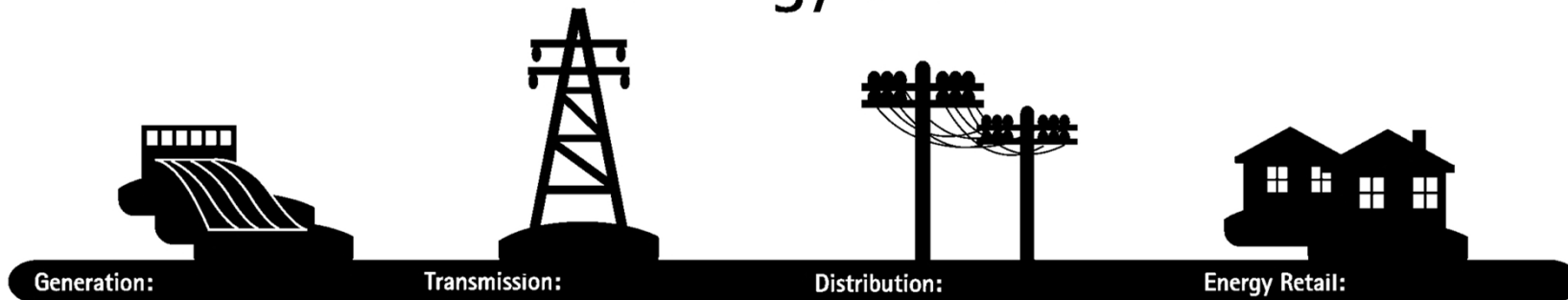
2 supply points and

10 zone substations

● Electra office and/or depot

# Where the Electra Network fits

## The Energy Chain



Contact

Meridian

Genesis

Mighty River Power

Trustpower

King Country Energy  
(Mangahao Owner)

Transpower



Energy Retail:

- Contact Energy
- Ecotricity
- Electric Kiwi
- Energy Club
- Energy Online
- Flick Energy
- Genesis Energy
- Globug
- Mercury Energy
- Meridian Energy
- Nova Energy
- Pioneer Energy
- Plus Energy
- Powershop
- Prime Energy
- Pulse Energy
- Simply Energy
- Supercharged Energy
- Switch Utilities
- Trustpower

# Electra

TRUST

Board of Directors

Chief Executive



Sold to  
Connect 8  
May 18

Connect



Acquired  
50% share  
May 18

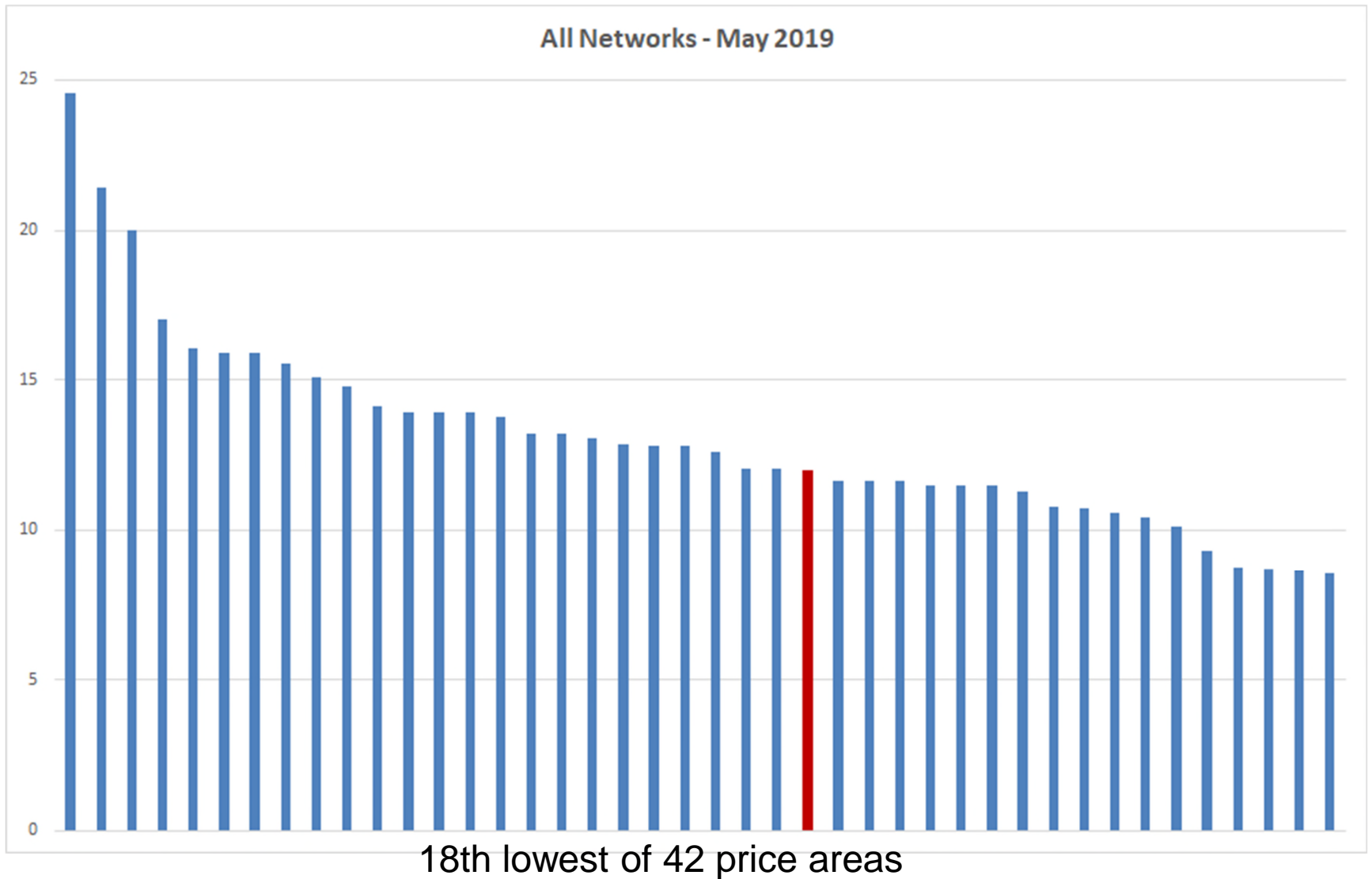


Brands:  
Securely  
Safeguard  
Main Security

## Key Facts

- Electra 9<sup>th</sup> largest number of ICPs out of 29 network companies
- Employs 179 staff across the Group
- Total shareholder funds \$145m
- Paid \$9.1m in discounts (\$196m incl GST over 26 years since Electra formed)

# Lines Company c/kWh



# Financial Performance

- Profit after tax of \$4,558m was ahead of target and up on prior year profit of \$3,739m
- A total of \$7.9m (excl GST) of discounts were credited to our customers, a 3% increase on prior year
- Net assets (i.e., equity) has increased \$4.0m this year due to the current year profits. This equates to \$89.44 per consumer



# Year End Group Results

<b>Financial (\$m)</b>	<b>2019</b>	<b>2018</b>
Operating revenue	\$51.5m	\$56.7m
Earnings before Depreciation, Amortisation & Discount	\$24.4m	\$23.3m
Depreciation and Amortisation	\$12.0m	\$10.8m
Discount to consumers	\$7.9m	\$7.7m
Net Profit after tax	\$4.6m	\$3.7m
Total Assets	\$236m	\$217m
Shareholders Equity	\$145m	\$141m
Net Asset backing per share	\$5.93	\$5.77

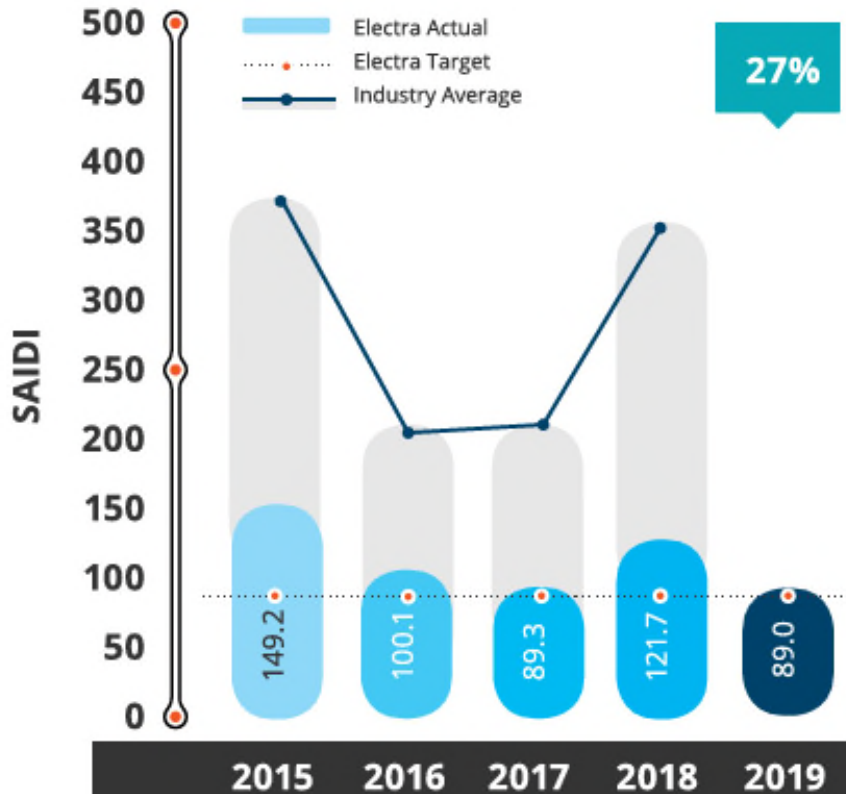


Safety Respect Professional Accountable Integrity

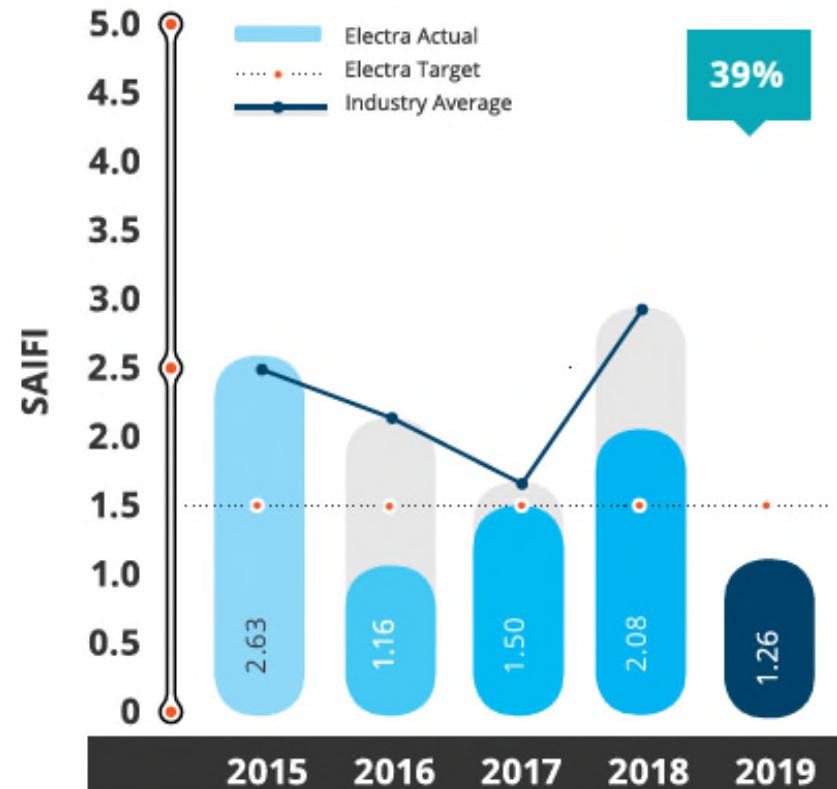
# Network Information

- Electricity unit sales were 416 GWh for the year ended 31 March 2019. Up 2.7% on 2018
- With a warmer start to winter, electricity sales are 3.6% down for the first quarter vs last year
- Live connections grew by 504 (547 last year)

# Network Reliability



System Average Interruption Duration Index ('SAIDI'). The average outage duration (in minutes) per consumer per year. The lower the number, the better the reliability performance (industry averages and Electra targets are shown for comparison).



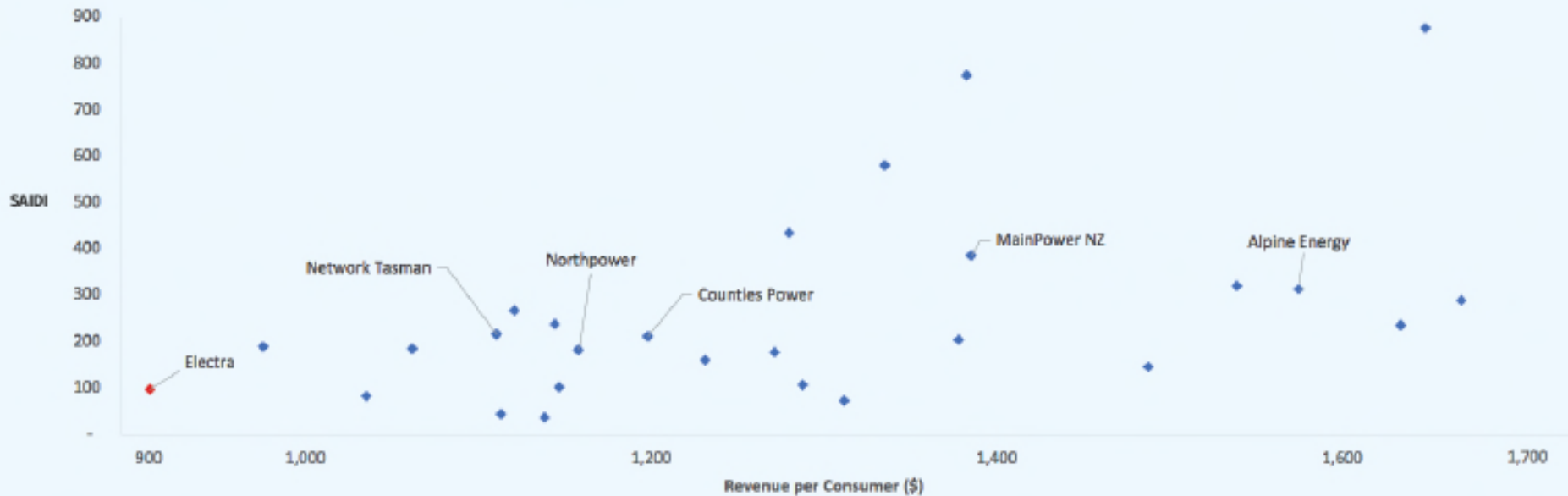
System Average Interruption Frequency Index ('SAIFI'). The average number of interruptions that a consumer would experience over the course of a year. The lower the number, the better the reliability performance (industry averages and Electra targets are shown for comparison).

## Best In Class – Updated Dec 2018

- Revenue per customer (charges); lowest in the country
- In top quartile for reliability
- In top quartile for return on investment
- Opex per customer remains low, though Electra is reviewing opportunities in fault and vegetation management costs
- Overall; In best quartile for combined total delivery cost for network reliability

# Best In Class

## BEST IN CLASS PRICE VS QUALITY AVERAGED FROM 2013 TO 2018



Measurement of price and service level across Electricity Network businesses.

Low outage minutes and low costs detail best in class. Electra's cohorts are named; being similar Electricity Network businesses.



# Future Growth

Safety Respect Professional Accountable Integrity

# EVs

- Three EVs in the fleet: more expected as fleet turns over
- Partnered with KCDC, HDC, ChargeNet and EECA to install EV charging infrastructure across the region





# Major Projects

## Complex Crossarm Change

This structure adjacent to Levin West Zone substation supports three 33 kV circuits.

Detailed planning and risk mitigation resulted in an efficient execution of this exacting project



# Major Projects

## Raumati Supply - Risk Mitigation

Installing new 33 kV cable away from slipping land uphill of Kiwi Rail – from Coastlands to Raumati Rd.

### Quick Facts

- 1.2 km length
- \$1.3 m
- Were challenges in obtaining Kiwi Rail permit
- Completion planned for August 2019



# Electra Group Strategy 2019 - 2024



# 2020 AMP Overview

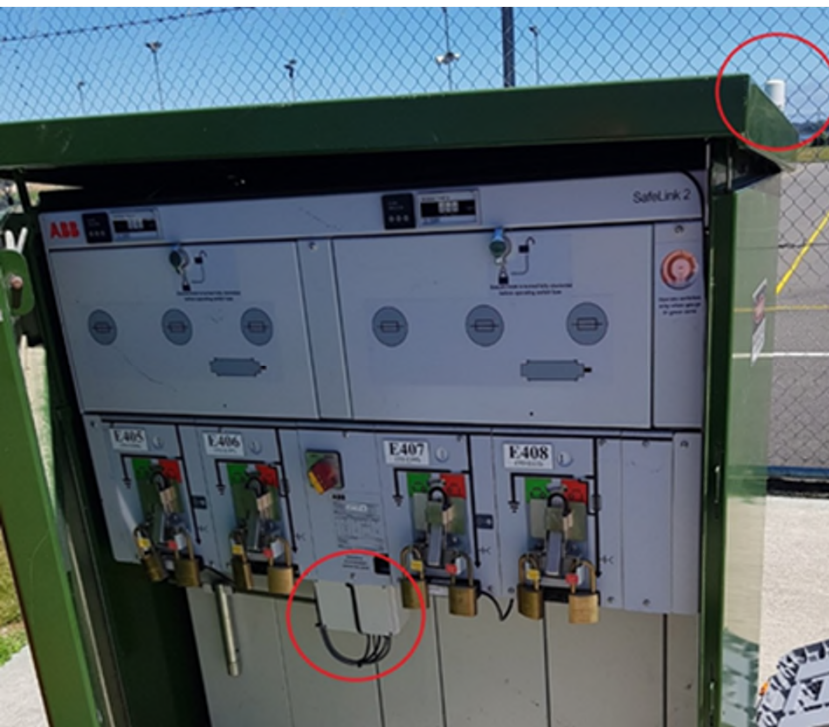
- Overlaying criticality assessment on condition based risk to quantify and prioritise investments
- Improving cost, risk and performance, with a view to reduce SAIDI and OPEX from 2020
- Leverage transport policy, energy policy, housing policy (warmer homes), economic and technology scenarios for demand planning
- Leading to detailed year-by-year actions included in the AMP, annual business plan and work programmes

# Key Tactical Projects

- Enhancing our Talent Strategy to achieve Electra's growth strategy through our people
- Continued focus on all things Safety and Wellness. We have just completed our best ever year for safety.

# LoRaWAN – Internet of Things

- Chair of Electricity Network IoT Workgroup
- Deployed three fault path indicator sensors (FPI) further 50 planned
- Installing transformer power quality (PQ) monitor sensors
- Benefits are quicker fault location resulting in faster power restoration



# Powered by Our People

67%

**REDUCTION IN LOST TIME INJURIES**  
The improvements we have made in our health and safety practices in recent years has seen significant reductions in the incidence of Lost Time Injuries (LTI). This year saw LTIs fall a further 67% (2019 vs 2018).

3  
LOST TIME INJURIES (LTI)

8,920

**TRAINING HOURS COMPLETED**  
In the year to 31 March 2019 our staff completed 8,920 hours of training - an average of 51 hours of training per staff member.

41%

of Electra Staff are Female.  
(74 Employees)

59%

of Electra Staff are Male.  
(105 Employees)

100%

**FIELD CREW COMPETENCY**  
In 2018 we celebrated 100% competency with our field crew on their EWRB assessments - our best ever result.

3

**NEW TRAINEES WELCOMED**  
At Electra we look to develop our own talent through our apprenticeship programme. In 2018 we were pleased to welcome three new Trainee Line Mechanics to our company. Our four Line Mechanic Trainees that were recruited in 2017 will become fully qualified this year.

12

**NATIONAL CERTIFICATES ACHIEVED**  
During the year twelve of our team completed their national qualifications, including: 2x Chartered Accountancy, 1x National Certificate Electrical Engineering (Electrician for Registration) Level 4, 1x National Certificate Electricity Supply (Power Technician) Level 5, 3x National Certificate Electricity Supply (Line Mechanic Distribution Live Stick Work up to 66kV) level 4, 3x National Certificate Electricity Supply (Line Mechanic Distribution Live Work Glove and Barrier up to 33kV) Level 5, 1x National Certificate in Electricity Supply (Utility Arborist) Level 3, and 1x National Certificate in Horticulture (Arboriculture) Level 4.

We remain committed to developing and equipping our people with the skills and technology they need to perform their roles to the highest standards in quality, safety and customer service

Safety Respect Professional Accountable Integrity

# ICT

- Chair of CIO Forum for North Island electricity distribution businesses
- Cloud adoption – Office 365
- Greater business resilience with upgraded back-up systems and inter-office communication systems
- Improved protection from cyber threats with staff exercises
- Implementing latest Microsoft CRM and Navision across the Group





# Community Support



- Business Awards
- Business Breakfasts and BA5's
- “Caring for our Community” Page
- Horowhenua Taste Trail
- AP&I Show



***2018 Electra Business of the Year – Kenakena School***

# Community Support

- Trainee Programme
- Energy Efficiency:  
heat pump discount
- EECA: Warmer  
Homes project



# Connect

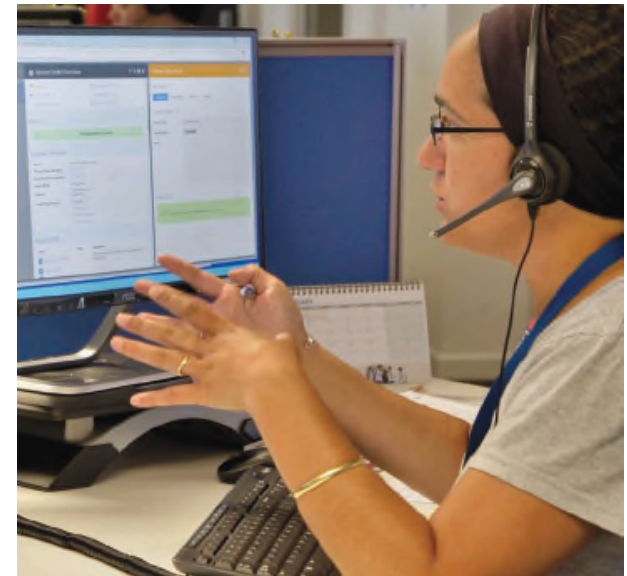


- Premier construction contractor for Water, Gas, Power, and Telecommunications
- Targeting annual revenues of \$50m
- Spark is a key customer for Connect 8
- Electra has two representatives on the Board of Connect 8
- SkyComms/Connect 8 is in a strong position to secure work from the Rural Connectivity Group
- Rugby World Cup



# Electra Services

- Modern contact centre capability with security monitoring, automation services and independent living support services
- It is one of the few 24/7 call centre operations in the electricity industry and, more importantly, is a profit centre for the Group.
- Using cloud technology to allow flexible working arrangements for growing team





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*Our mother was living alone and had been diagnosed with dementia. She was keen to remain in her own home for as long as she could and by using Securely services she was able to do so.*



Living with  
**CONFIDENCE &  
INDEPENDENCE**

[www.securely.nz](http://www.securely.nz)

Smart devices  
connected over a  
secure wireless  
network driven  
from a Smart  
Phone to stay in  
touch where ever  
you are with what  
matters to you



# Electra Services

- 2018 acquisitions of Bupa Care NZ's medical alarm business and Main Security now fully integrated
- Received accreditation from Ministry of Social Development onto approved supplier panel
- Will introduce Lone Worker solution to market in 2019

# Electra Generation

- After a profitable year last year, we have battled to get a good gas supply this year
- The first issue was the Pohokura gas field maintenance
- Now its total supply constraints
- A change is necessary!







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