

2018

A year in review



Help Us Spend \$20K

The 2018 MainPower Community Fund is open! Now in its fourth year, the contestable fund offers a share of \$20,000 to local community groups, charities and schools operating in North Canterbury. To get involved, visit our website and let us know which groups you think deserve a boost. Voting closes 31 August 2018. www.mainpower.co.nz

Have your say

Visit our website to see what community consultation projects are currently on the go. www.mainpower.co.nz

MainPower New Zealand Limited is your electricity distributor



On behalf of the communities of North Canterbury, MainPower owns, maintains and operates the poles, wires, substations and other network equipment that deliver electricity safely to your homes, schools and businesses.

MainPower has been a part of North Canterbury for almost 90 years. Our staff of dedicated field and office-based workers are proud of the contribution they make to the region every day.

We are not only a key service provider but also play an important role in making North Canterbury a great place to live and work. In the past year, MainPower has sponsored around 40 community-led initiatives through our community support programme.

Looking ahead, MainPower is committed to contributing towards a bright future for the region by delivering an electricity network that is ready for the future.

The energy sector is facing significant change; from the uptake of solar photovoltaic (PV) technology, to the electrification of the nation's vehicle fleet and moves towards a low carbon economy, our customers' energy needs are changing.

While our core business focus remains providing a safe, secure and reliable power supply to our customers, MainPower is also taking steps to ensure our network is ready to meet the demands of the future.

Chief Executive's Message

Andy Lester joined MainPower in November 2017, taking over from outgoing Chief Executive Bruce Emson.

Welcome to MainPower's Annual Review for 2018. This is our opportunity to share a summary of our performance over the 2017-18 financial year and our goals for the year ahead.

MainPower is a community-owned enterprise, which means that our customers are our owners. It also means that MainPower's success is our customers' success.

In the 2017-18 financial year, MainPower has had a positive financial performance. We have been able to provide \$9.8 million worth of rebates to our customers. We've also been able to distribute \$469,000 to community groups and initiatives through our community sponsorship programme. Ranging from youth sports scholarships to learn to swim programmes, supporting the arts and sponsoring business excellence awards, MainPower is proud to support North Canterbury and the people within it.

These pleasing results were achieved by a team of extremely dedicated, skilled and valuable employees who approach

their task of "keeping the power on" very seriously and professionally.

When I joined the team at MainPower last year, I found a company in transition. An organisational restructure was underway and the wider electricity industry was starting to seriously consider the impact that new technologies will have on future operations.

Work continues within MainPower to realign the business to be in a position of strength to meet the challenges that the future will hold.

Our goal is to partner in our customers' energy futures. This means improving our internal processes and getting to know who our customers are and what they want. It also means having a keen understanding of emerging technologies and the impact they will have on the network 10, 20, or another 90 years down the line.

It is our responsibility to plan for the future and develop an electricity distribution network that is ready for our customers' future needs. Over the last year, we've embarked on a number of business initiatives including undertaking a full review of our asset management

practices and processes, implementing new customer relationship management software and upskilling our staff.

As we continue this journey, our company values provide guidance for how we will approach and achieve our goals.

Do what's right – we want to behave with integrity and deliver on our responsibility to provide a safe, secure electricity distribution network to the people of North Canterbury.

Make it better – we want to find even more efficient ways of operating, have a positive impact on our community and be leaders in innovation and technology, while delivering true value to our shareholders.

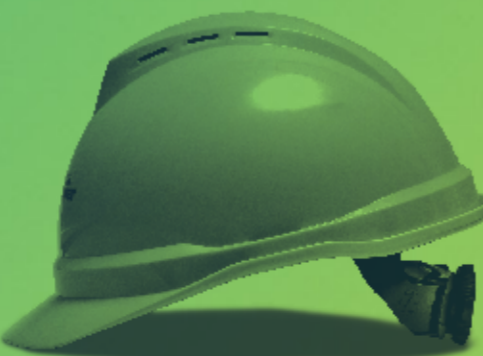
Work together – we want to partner in our customers' energy futures and work collaboratively across the New Zealand energy sector to achieve great results for the people of North Canterbury.

Make it happen – we want to take action and provide tangible results, building towards a positive future.

As I look to the year ahead, I am confident that MainPower will continue to deliver value to our customers and rise to the challenges that the future will bring.



Financial Highlights



2018 PROFIT BEFORE TAX

\$8.3 million

2018 NETWORK CAPITAL INVESTMENT

\$9.9 million

2018 QUALIFYING CUSTOMER REBATES

\$9.8 million

Rebates are credited monthly to qualifying shareholders* on the MainPower network. Rebates are credited to your power account through your electricity retailer. Some retailers choose to show the rebate as a separate item on the electricity invoice that they send to customers, for others, the rebate is included, but not shown on the invoice.

*Customers connected to the former Kaiapoi Electricity network do not receive rebates.

2018 COMMUNITY SUPPORT

\$469k

Notice of Annual Meeting

The Annual Meeting of shareholders of MainPower New Zealand Limited will be held at MainPower's head office, 172 Fernside Road, Rangiora on Wednesday 29 August 2018, commencing at 5:30 p.m. An invitation is extended to all North Canterbury residents to attend.

Agenda

- Apologies.
- To receive the Directors' Report and Financial Statements for the year ended 31 March 2018 and the Report of the Auditor thereon.
- Pursuant to the Constitution, the Directors have resolved that no dividend will be payable.
- Election of Directors.
 - Pursuant to the Constitution to elect one Director on the retirement by rotation of Mr. A C King. Mr. King being eligible, offers himself for re-election.
 - Pursuant to the Constitution, Mrs. J A Hoban retires by rotation. Mrs. Hoban does not seek re-election.
- To consider the Directors' recommendation that the total Non-Executive Directors' remuneration for MainPower New Zealand Limited and its subsidiary companies for the 2018-19 financial year remains at a maximum of \$390,000 excluding Goods and Services Tax.
- To appoint Deloitte as Auditor in accordance with section 196(1) of the Companies Act 1993 and to authorise the Directors to fix the remuneration of the Auditor.
- To consider any general business which may be properly brought before the meeting.

To find out more:

MainPower's 2018 Annual Report and Statement of Financial Accounts will be available on our website around mid August (www.mainpower.co.nz). If you would like a copy posted to you, please call us on 03 311 8300 or email info@mainpower.co.nz.

The network of the future

The landscape within the electricity sector is changing, influenced by emerging technology and the shift towards a low-carbon economy. MainPower is committed to supporting North Canterbury by delivering an electricity network that is ready for the future.

In the past year, MainPower has taken a fresh look at our asset management practices and network development planning, carrying out reviews internally and through independent auditors. A complete analysis of the results, along with an implementation plan for future improvements, is presented in MainPower's 2018-2028 Asset Management Plan, available on our website.

The review process has resulted in a decrease in the amount of both operational and capital expenditure over the financial year ending March 2018. While the work on our wider asset management and network development planning takes place, our core focus remains unchanged, providing a network that is safe, reliable and serves the needs of our customers in the present.

KEEPING THE COMMUNITY SAFE

MainPower run a number of public safety awareness campaigns each year with a focus on staying safe around overhead lines and underground cables, general electrical safety around the home or farm, and the importance of trimming trees and vegetation around the network.

70% of customers can recall one MainPower safety message clearly

28% reported changing or considering their behaviour due to a MainPower safety message

Tree safety – the safety message recalled by most survey respondents

MainPower Community Engagement Survey, December 2017

Community Sponsorship

MainPower is a proud member of the North Canterbury community. Not only do we provide an essential service in the form of a safe and reliable electricity distribution network, but we are keen supporters of local community initiatives.

With a focus on youth, environmental sustainability, energy efficiency and economic development, our community sponsorship programme supports dozens of causes each year.

Highlights from the past year include our ongoing support of the Māia Health Foundation, who work to deliver game-changing projects to enhance the wellbeing of Cantabrians. The Foundation is focusing on carrying out two enhancement projects for Christchurch Hospital, an upgraded rooftop helipad and improvements to the children's ward.

Another partnership that adds immense value to the region is our work with the North Canterbury Sport and Recreation Trust, who we have supported since 2009. The Trust deliver a number of sporting programmes for the region's youth that cover swimming lessons, sports coaching and the MainPower Sports Awards and Youth Sports Scholarships.

Our sponsorship portfolio includes a number of long term partnerships as well as new and one-off events and causes throughout the year. On top of that, we are once again asking North Canterbury residents to nominate community groups to be awarded a share of the \$20,000 MainPower Community Fund. Nominations are open now, for more details visit www.mainpower.co.nz.

Health & Safety at work

The safety of our people and community is our highest priority. We continue to look for ways to make improvements to our systems and to adopt even better practices for keeping our staff and community safe.

The Health and Safety at Work Act has been in place since 2016. The new legislation has been a catalyst for MainPower to review our approach to managing risk and harm to our people, community and public property.

We have built on our past successes, continuing to carry out timely and effective engagement with our people to ensure their wealth of knowledge and experience influences the decisions that the company makes to control risks.

Over the last year, our Health and Safety Committee has worked on job packs, pole safety, a review of our hazard register and on the development of safe work practices and safe operating procedures. All of this work has been valuable in making sure we have control over our risks.

At MainPower, we all have a part to play in bringing about safe outcomes. Ongoing investment in training, equipment and work procedures are part of our continued commitment to ensuring the safety of our people.

CUSTOMERS AT THE CENTER



In order to develop an electricity distribution network capable of meeting the demands of the future, MainPower has been working to gain a better understanding of our customers and what their energy needs are for today and tomorrow.

We've taken significant steps in this direction over the past year, with customer relationship management (CRM) software being introduced into the business. The CRM (known as MainPower's Accessible Customer Knowledge, or 'MACK') is essentially a database where customer interactions are tracked and managed. Though this project is still in its early stages, over time, the data captured in MACK will help MainPower to better understand our customers and provide overall better service.

Our goal is to partner in our customers' energy futures. By considering customer needs and expectations alongside technological advances and industry trends, we are able to not only improve our services and products on offer, but also make the best decisions around asset management and network development.

Team MainPower

The MainPower team is made up of 149 dedicated field and office-based staff, spread between three depots in Rangiora, Culverden and Kaikōura. MainPower is one of the largest employers in North Canterbury.

Our strength as a company and our ability to deliver for our customers depends on our employees. We continue to offer an excellent working environment for our people, with opportunities for training and development available. This year we launched a new e-learning platform, called Circuit, to enhance learning at MainPower.

The Health and Safety at Work Act 2015 has a strong focus on improving workplace health in New Zealand. MainPower's Wellness Programme aims to do just that by offering a range of wellness-based elements. From subsidised health insurance, to free vision, hearing and general health checks, the Wellness Programme encourages and assists our employees to maintain their overall health and wellbeing.



New technology at play



ChargeNet partnered with MainPower this year to install new electric vehicle (EV) charging stations in Culverden and Amberley. The rapid chargers are capable of refilling an empty EV battery in around 20 minutes.

A strong recharging infrastructure is an essential element in the widespread adoption of EVs. MainPower plans to continue working with recharging infrastructure vendors to support the uptake of electric vehicles in the region. Next on the agenda is a second charging station for Kaikōura.

Solar technology continues to become more accessible to the public. The number of solar connections on the MainPower network has risen again this past year.

TOTAL CONNECTIONS 2016
411

TOTAL CONNECTIONS 2017
623

TOTAL CONNECTIONS 2018
737

