



Monthly Operating Report

February 2019

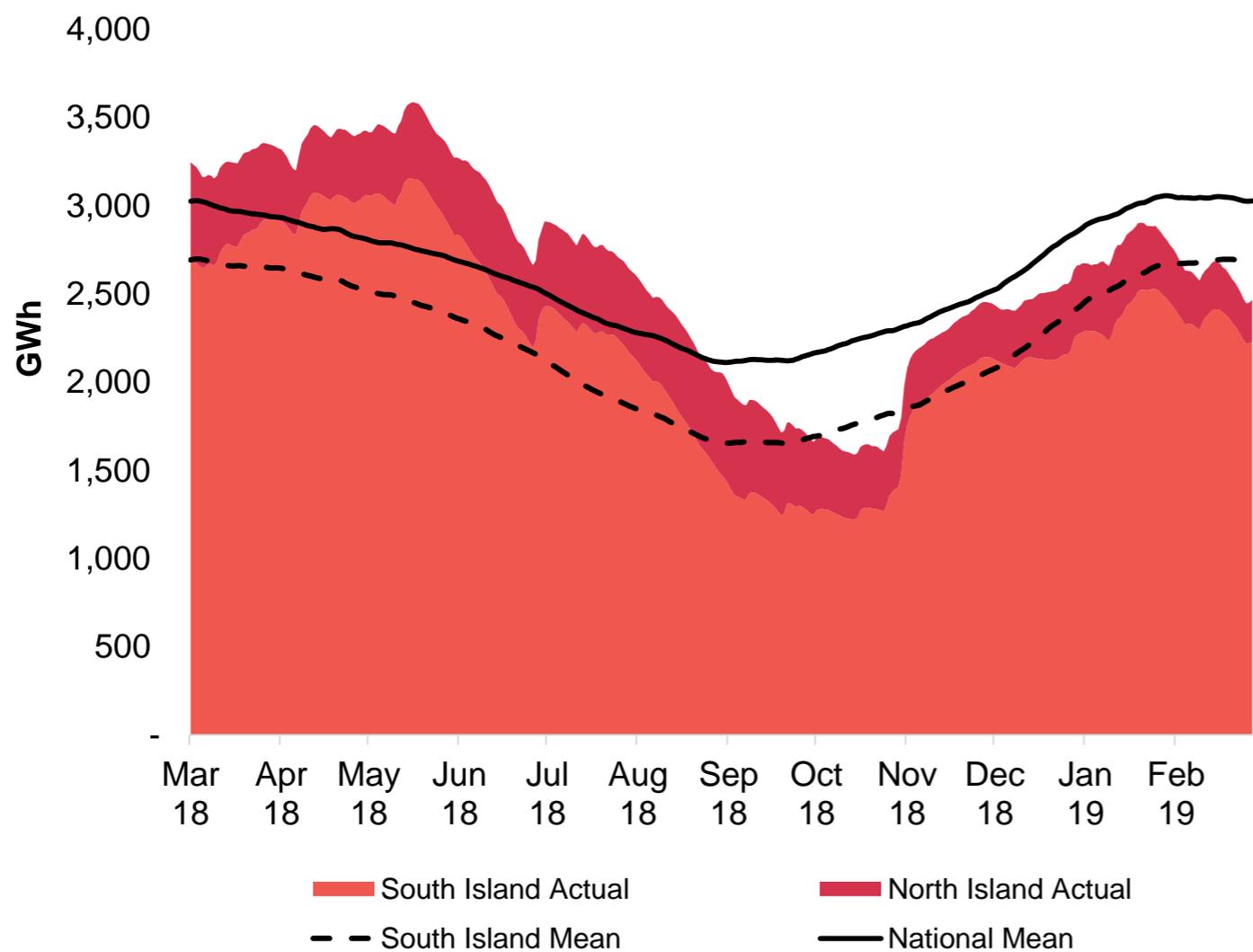
February overview

For the month of February 2019

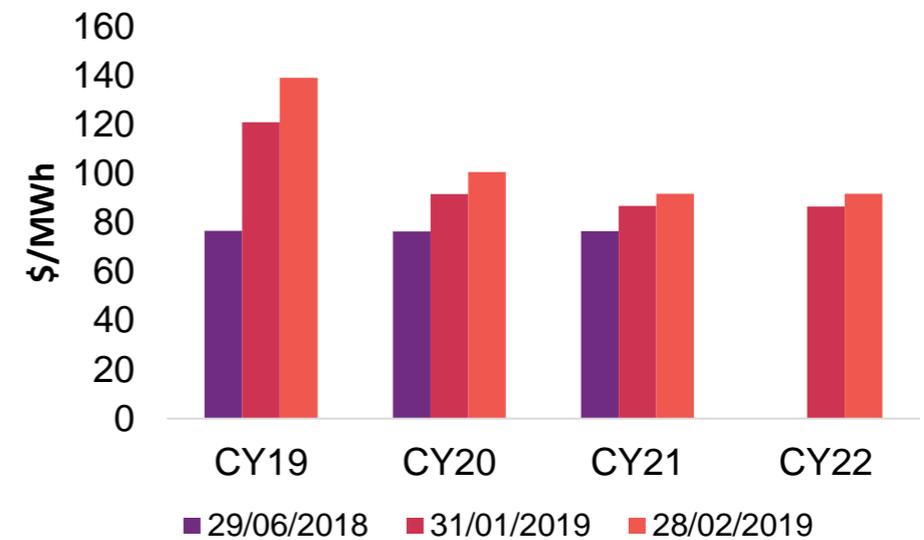
- » The Customer business recorded:
 - Mass market electricity and gas sales of 282 GWh (February 2018: 272 GWh)
 - Mass market electricity and gas netback of \$92.70/MWh (February 2018: \$89.98/MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 614 GWh (February 2018: 594 GWh)
 - Electricity and steam net revenue of \$76.38/MWh (February 2018: \$70.22/MWh)
 - Electricity generated (or acquired) in the month of 690 GWh (February 2018: 665 GWh)
 - The unit generation cost, which includes acquired generation was \$47.35/MWh (February 2018: \$33.77/MWh)
 - Own generation cost in the month of \$34.91/MWh (February 2018: \$31.24/MWh)
- » Otahuhu futures settlement wholesale price for the 2nd quarter of 2019 (ASX):
 - As at 11 March 2019: \$200/MWh
 - As at 28 February 2019: \$150/MWh
 - As at 31 January 2019: \$132/MWh
- » As at 11 March 2019, South Island controlled storage was 83% of mean (28 February 2019: 88%) and North Island controlled storage was 71% of mean (28 February 2019: 73%)
 - As at 11 March 2019, total Clutha scheme storage (including uncontrolled storage) was 61% of mean
 - Inflows into Contact's Clutha catchment for February 2019 were 82% of mean (January 2019: 102%, December 2018: 69%, November 2018: 106%)

Hydro storage and forward prices

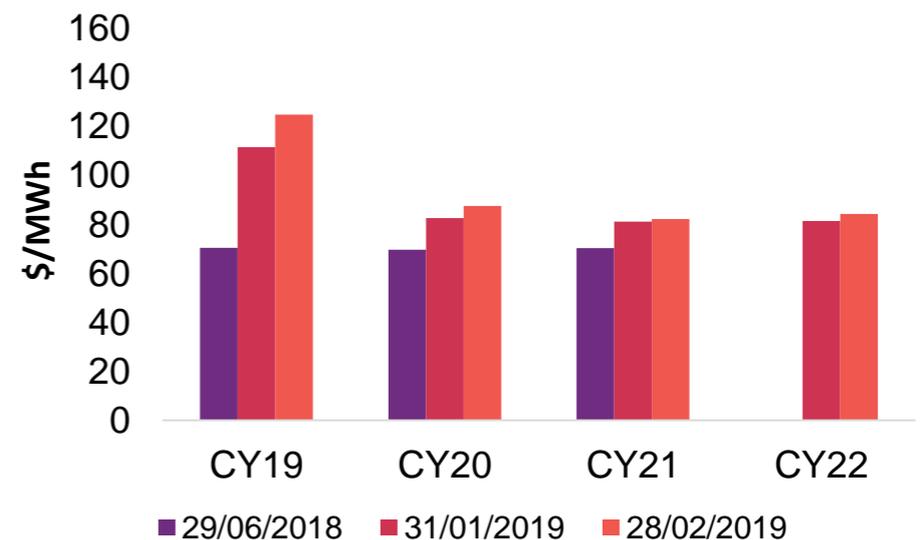
New Zealand controlled hydro storage against mean



Otahuhu ASX futures settlement

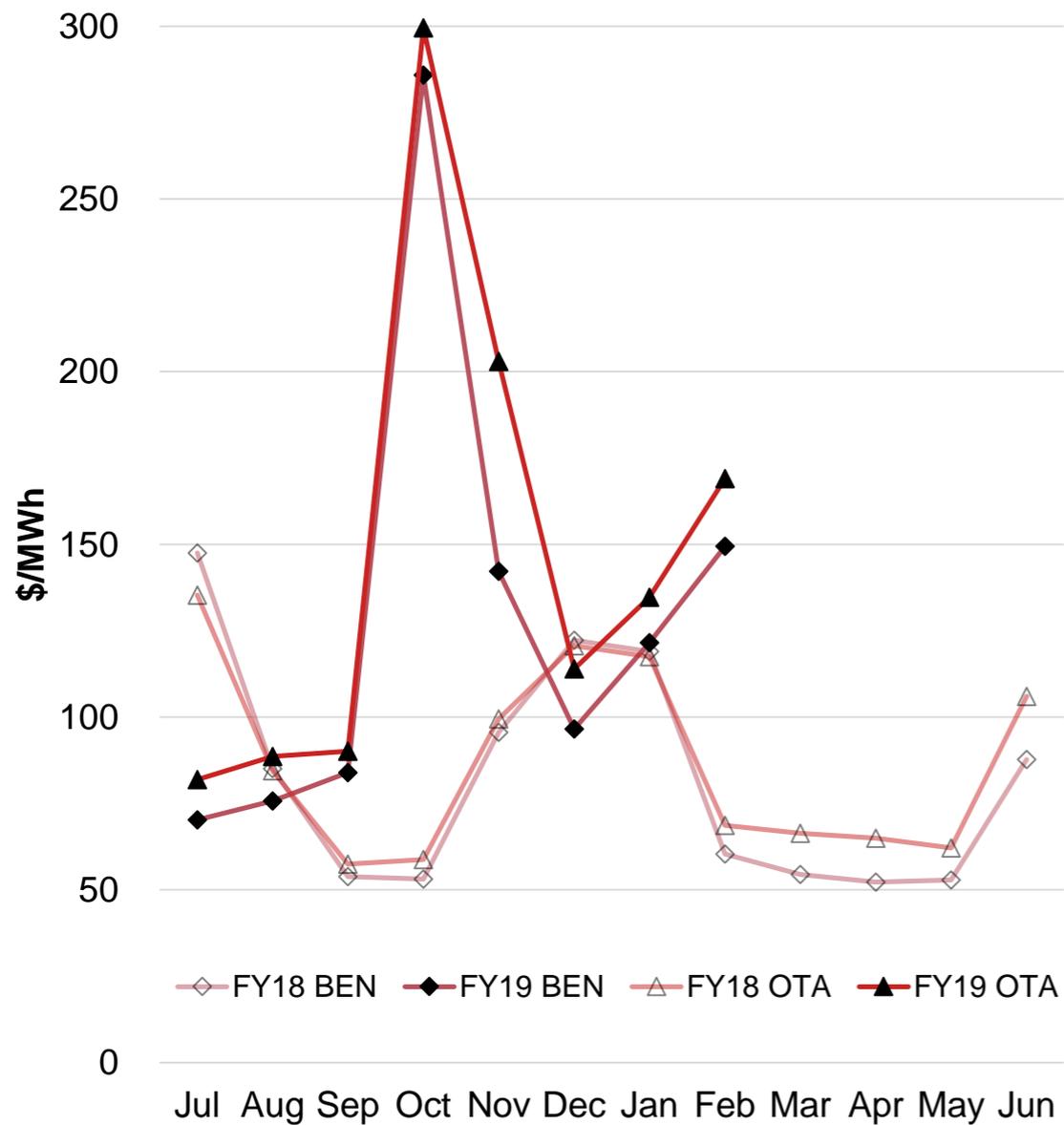


Benmore ASX futures settlement



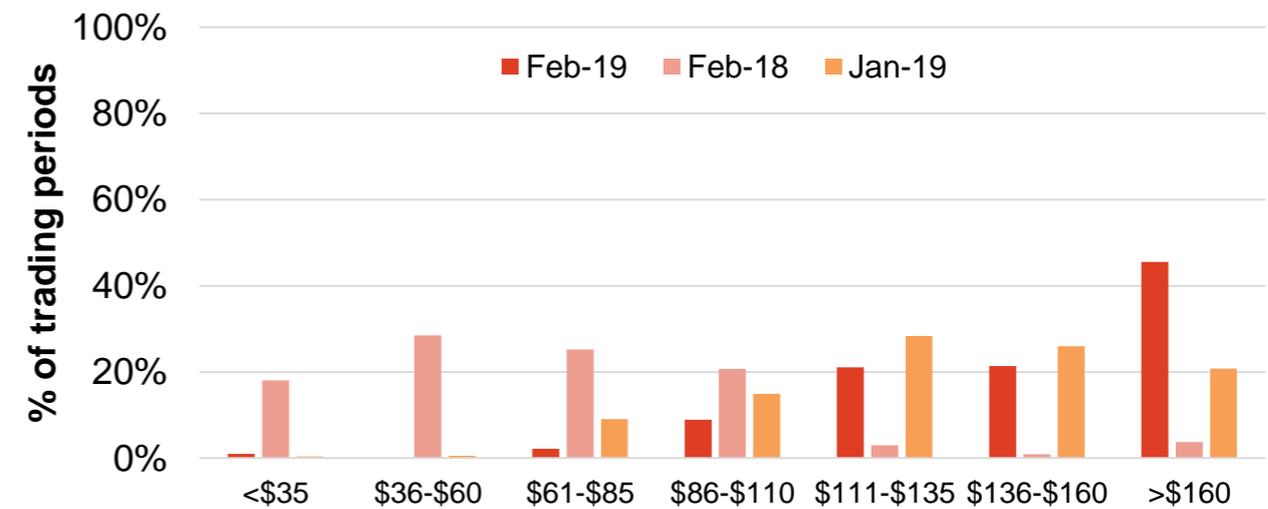
Wholesale market

Wholesale electricity pricing

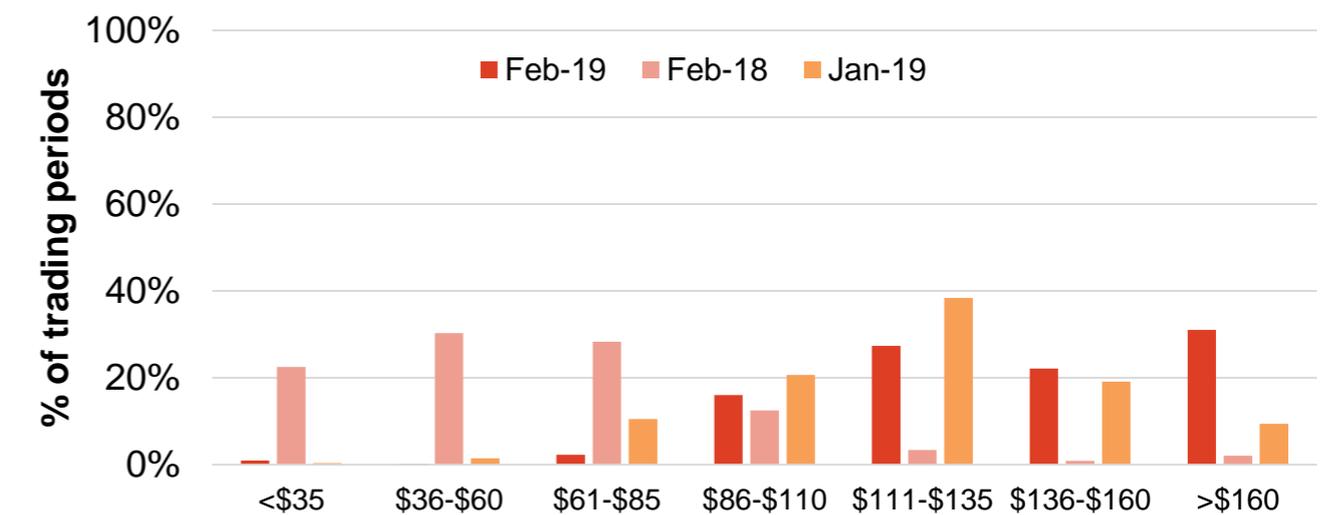


Distribution of wholesale market price by trading periods

Otahuhu node



Benmore node

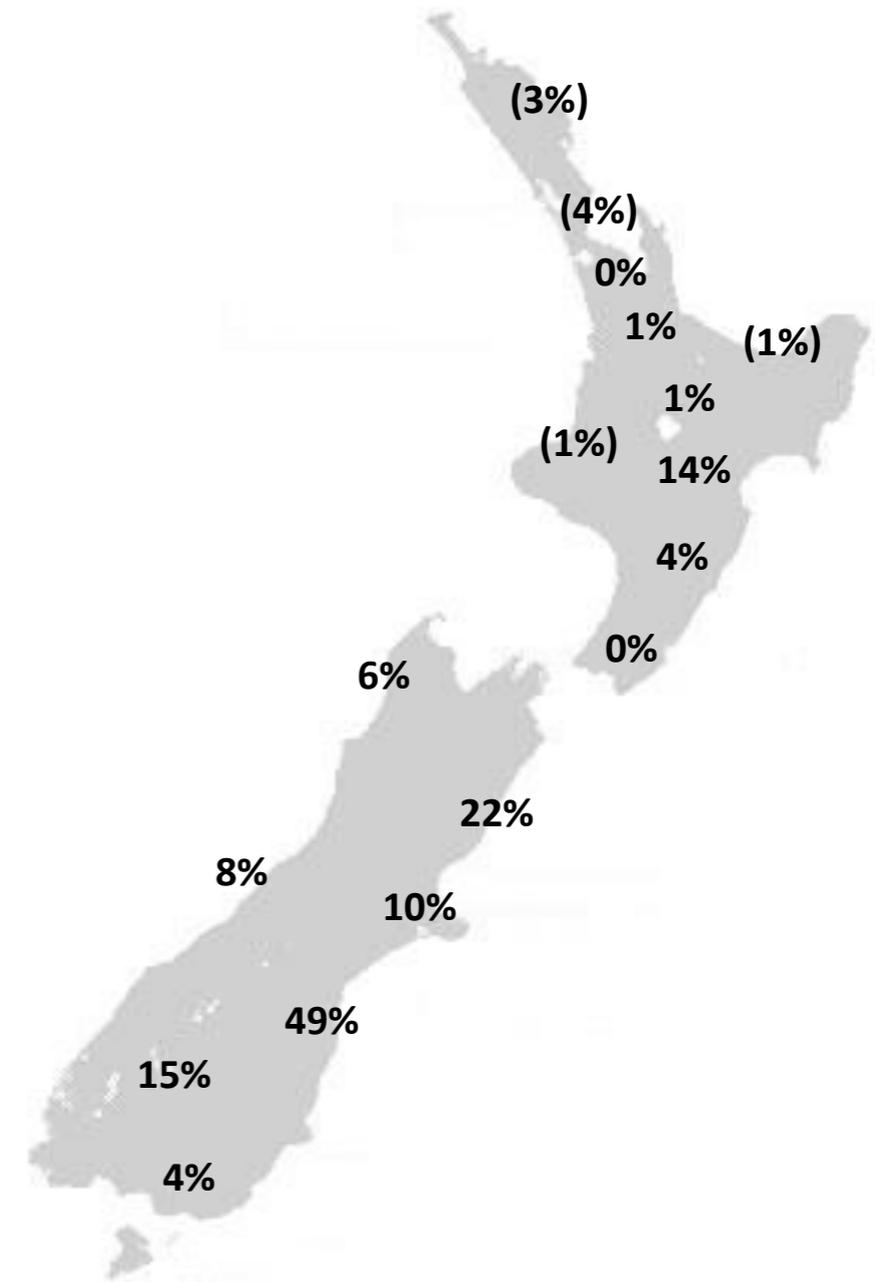
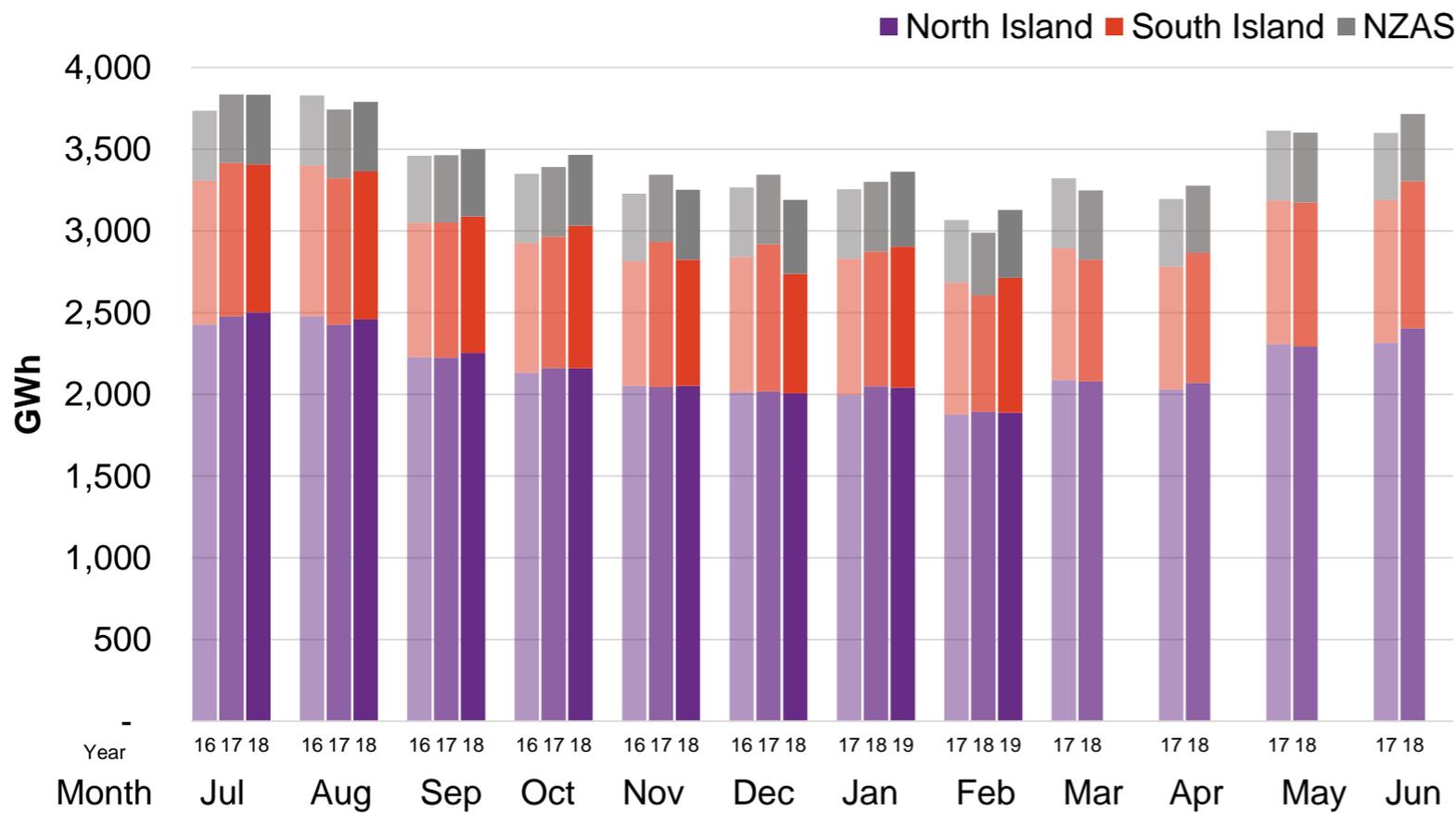


Electricity demand

- » New Zealand electricity demand was up 4.7% on February 2018 (up 2.0% on February 2017)
 - Cumulative 12 months demand for March 2018 to February 2019 of 41,368 GWh is up by 0.3% on the prior comparative period.

Regional demand change (%) on February 2018

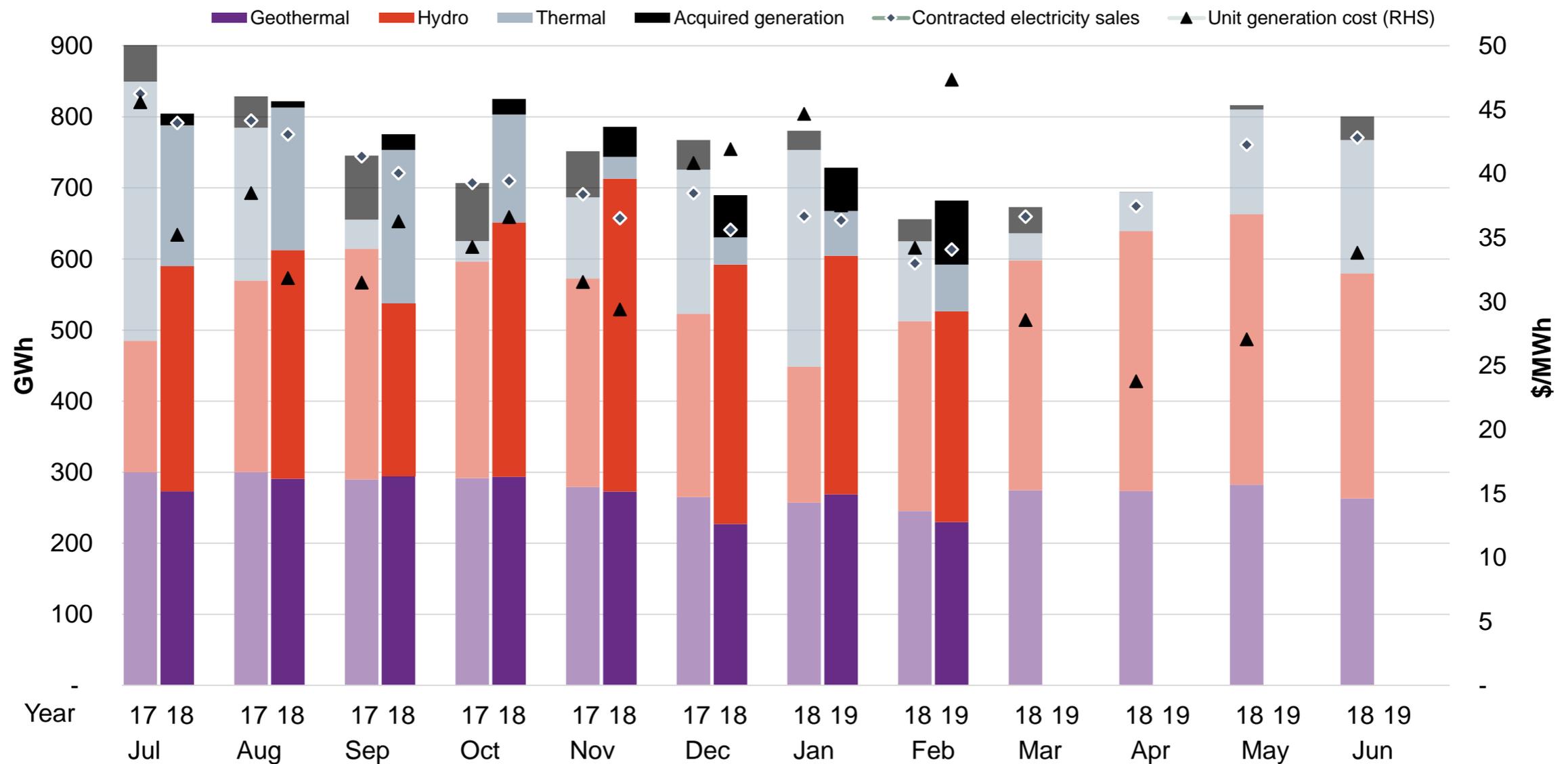
Total national demand (FY17, 18 and 19)



Source: Contact and Electricity Authority grid demand (reconciled) <http://www.emi.ea.govt.nz>

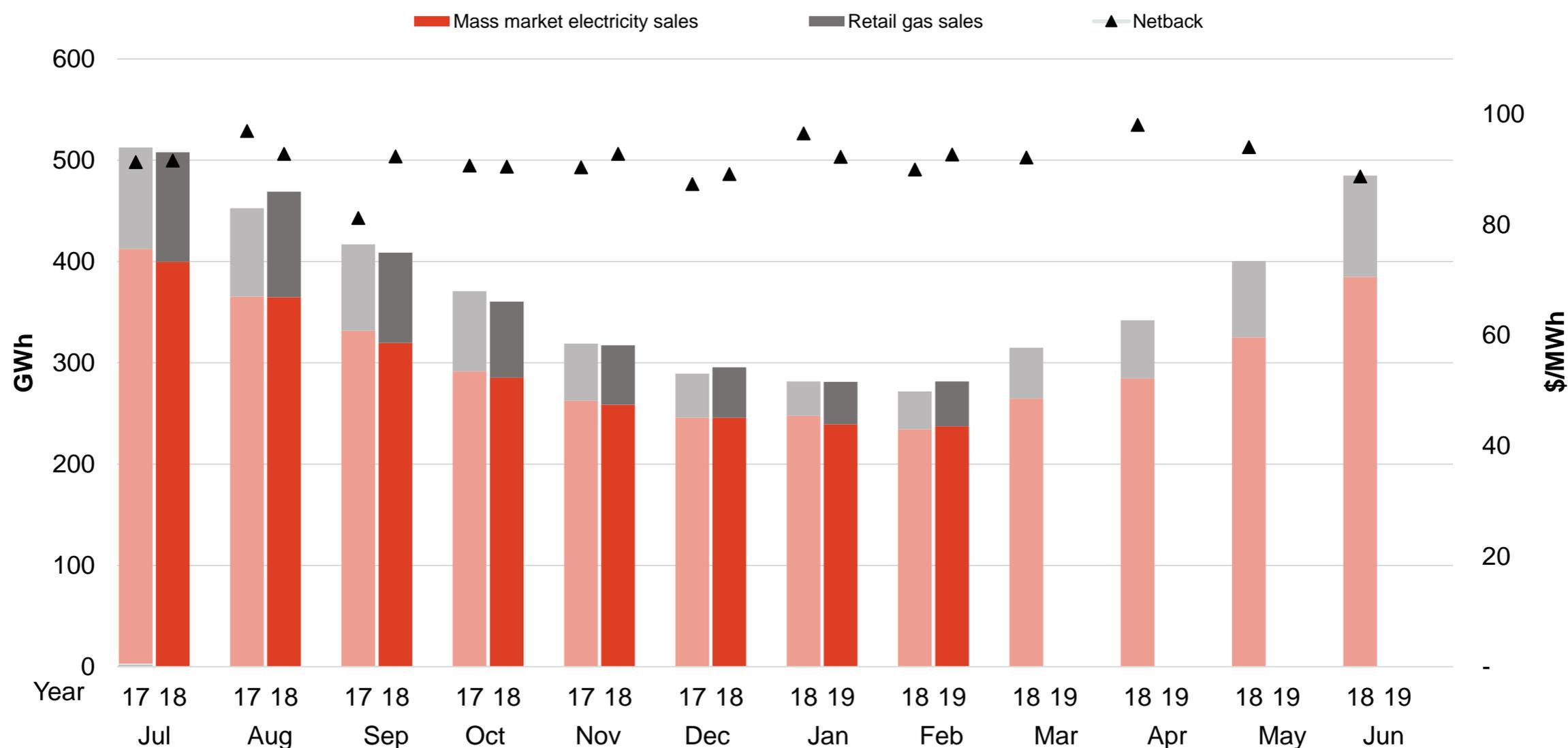
Contact's Wholesale business performance

Generation mix, gross sales position and unit generation cost (FY18 and 19)



Contact's Customer business performance

Retail sales volumes and netback (FY18 and 19)



Contact's operational performance

	Measure	The month ended February 19	The month ended February 18	The month ended January 19	Eight months ended February 19	Eight months ended February 18	
Customer	Mass market electricity sales	GWh	237	234	239	2,350	2,389
	Retail gas sales	GWh	44	37	42	571	523
	Mass market electricity and gas sales	GWh	282	272	281	2,921	2,912
	Average electricity sales price	\$/MWh	249.78	244.89	256.56	244.72	242.47
	Electricity direct pass thru costs	\$/MWh	(125.41)	(121.44)	(131.89)	(119.50)	(119.14)
	Cost to serve	\$/MWh	(22.53)	(23.82)	(23.52)	(18.18)	(18.81)
	Customer netback	\$/MWh	92.70	89.98	92.25	91.82	90.54
	Energy cost	\$/MWh	(72.61)	(72.00)	(73.27)	(71.85)	(70.91)
	Actual electricity line losses	%	8%	6%	10%	8%	8%
	Retail gas sales	PJ	0.2	0.2	0.2	2.0	1.7
	Electricity ICPs (rounded to the nearest 500)	#	408,000	415,000	406,000		
	Gas ICPs (rounded to the nearest 500)	#	65,500	64,500	65,500		
	Wholesale	Electricity sales to Customer business	GWh	258	249	267	2,542
Electricity sales to Commercial and Industrial		GWh	250	261	270	2,091	2,282
Electricity CFD sales		GWh	106	84	117	931	851
Contracted electricity sales		GWh	614	594	654	5,564	5,717
Steam sales		GWh	39	46	55	445	419
Total electricity and steam net revenue		\$/MWh	76.38	70.22	71.68	76.96	73.18
C&I netback (at the ICP)		\$/MWh	81.38	78.79	76.71	81.98	81.51
C&I line losses		%	4%	3%	3%	4%	4%
Thermal generation		GWh	66	113	63	964	1,384
Geothermal generation		GWh	230	245	269	2,150	2,229
Hydro generation		GWh	297	267	336	2,677	2,093
Spot electricity sales		GWh	592	625	668	5,792	5,706
Electricity sales - Direct		GWh	8	8	9	68	68
Acquired generation		GWh	90	31	61	322	443
Electricity generated (or acquired)		GWh	690	665	738	6,182	6,216
Unit generation cost (including acquired generation)		\$/MWh	(47.35)	(33.77)	(37.53)	(36.29)	(37.54)
Spot electricity purchases		GWh	(500)	(501)	(528)	(4,566)	(4,798)
CFD sales		GWh	(106)	(84)	(117)	(931)	(851)
Spot exposed purchases / CFD settlement		GWh	(606)	(586)	(645)	(5,496)	(5,649)
Spot revenue and settlement on acquired generation (GWAP)		\$/MWh	157.60	65.40	126.52	136.19	92.80
Spot purchases and settlement on CFDs sold (LWAP)		\$/MWh	(166.44)	(69.81)	(133.08)	(140.86)	(97.64)
LWAP/GWAP		%	106%	107%	105%	103%	105%
Gas used in internal generation		PJ	0.8	1.2	0.8	9.7	13.4
Gas storage net movement (extraction) / injection	PJ	(0.4)	0.2	(0.0)	(2.3)	(1.1)	

Keep in touch

Investors

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