



Monthly Operating Report

June 2019

June overview

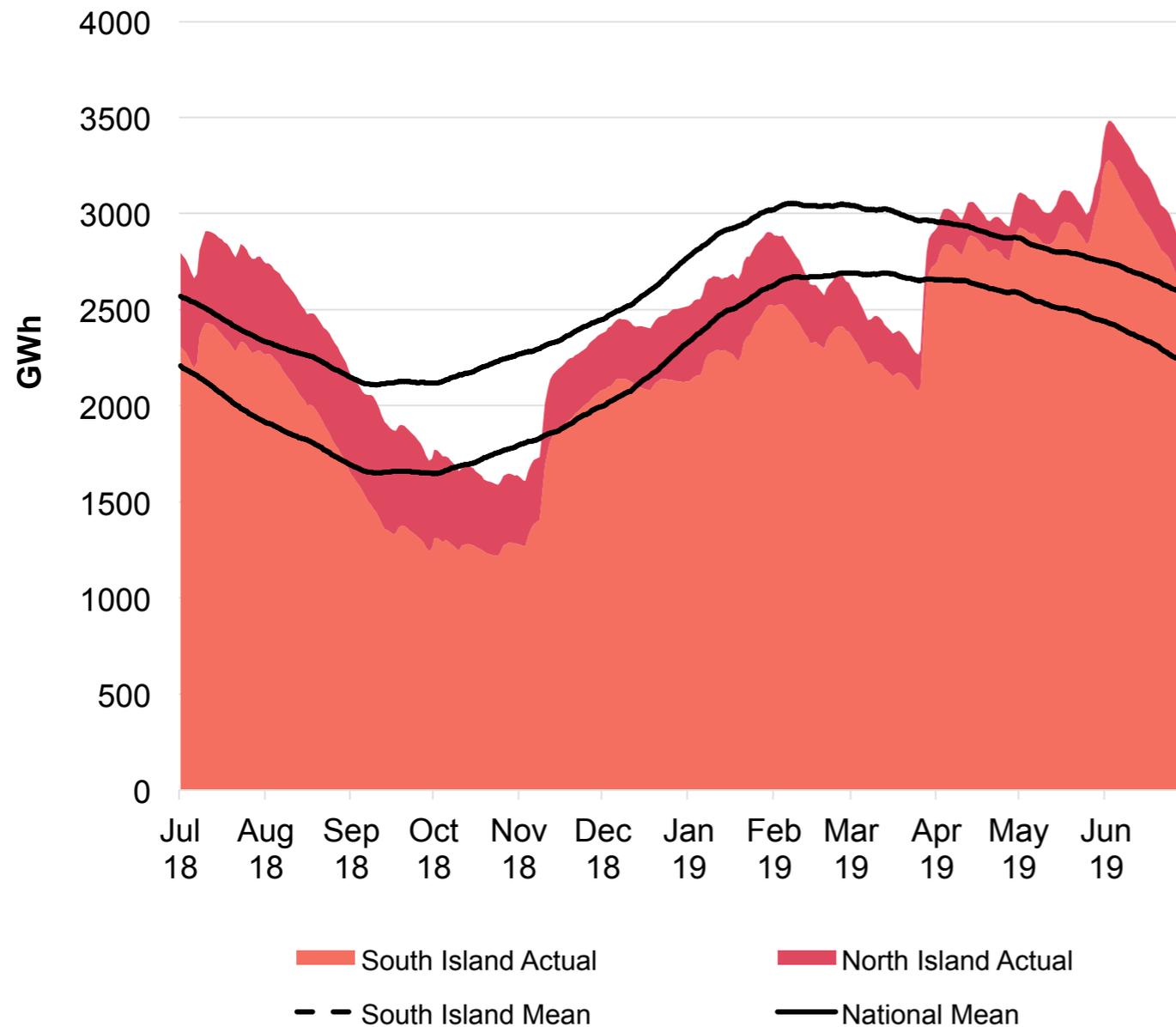
For the month of June 2019

- » The Customer business recorded:
 - Mass market electricity and gas sales of 453 GWh (June 2018: 485 GWh)
 - Mass market electricity and gas netback of \$90.98/MWh (June 2018: \$88.71/MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 834 GWh (June 2018: 771 GWh)
 - Electricity and steam net revenue of \$94.83/MWh (June 2018: \$93.27/MWh)
 - Electricity generated (or acquired) of 932 GWh (June 2018: 802 GWh)
 - The unit generation cost, which includes acquired generation was \$33.68/MWh (June 2018: \$32.27/MWh)
 - Own generation cost in the month of \$31.37/MWh (June 2018: \$31.13/MWh)
- » Otahuhu futures settlement wholesale price for the 3rd quarter of 2019 (ASX):
 - As at 23 July 2019: \$108/MWh
 - As at 28 June 2019: \$120/MWh
 - As at 31 May 2019: \$109/MWh
- » As at 23 July 2019, South Island controlled storage was 122% of mean (30 June 2019: 116%) and North Island controlled storage was 88% of mean (30 June 2019: 54%)
 - As at 23 July 2019, total Clutha scheme storage (including uncontrolled storage) was 81% of mean
 - Inflows into Contact's Clutha catchment for June 2019 were 104% of mean (May 2019: 160%, April 2019: 124%, March 2019: 131%)

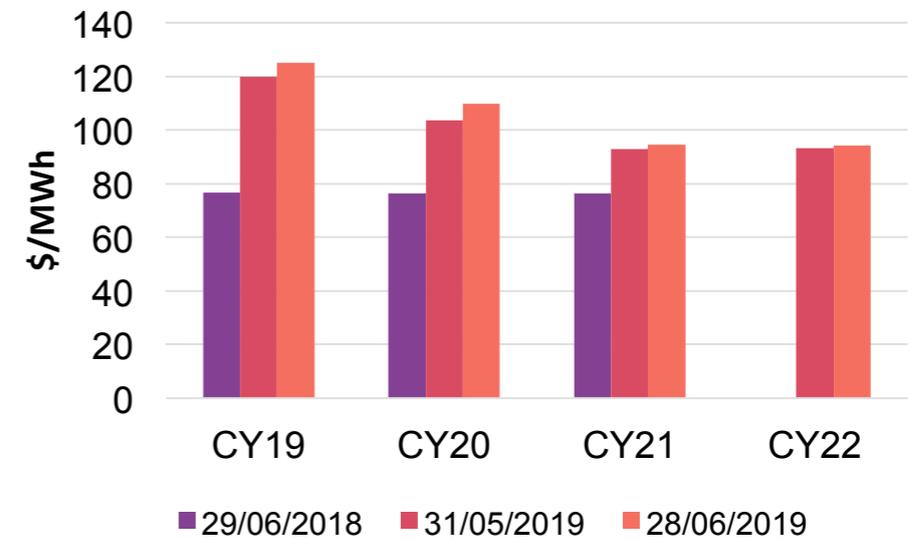
Nova Energy have signed a 15-contract with FlexGas to access the Ahuroa gas storage facility once expanded

Hydro storage and forward prices

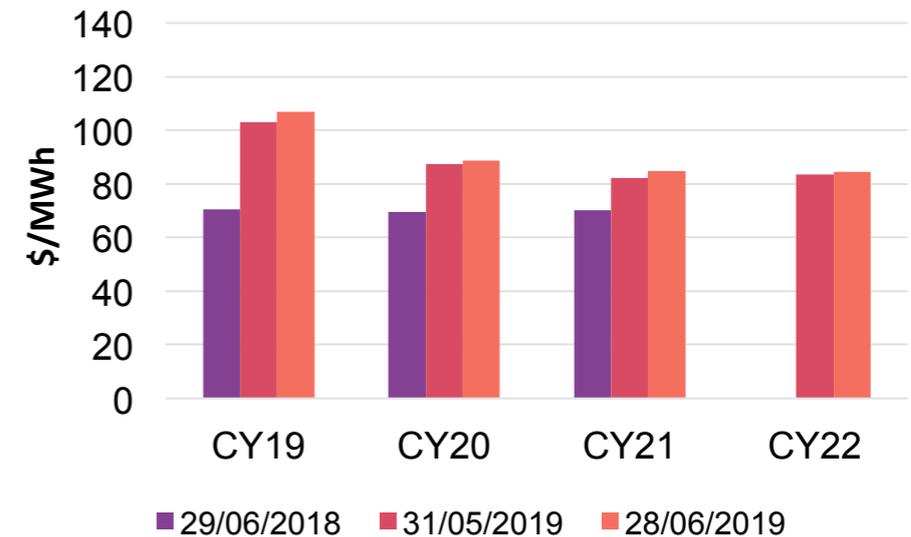
New Zealand controlled hydro storage against mean



Otahuhu ASX futures settlement

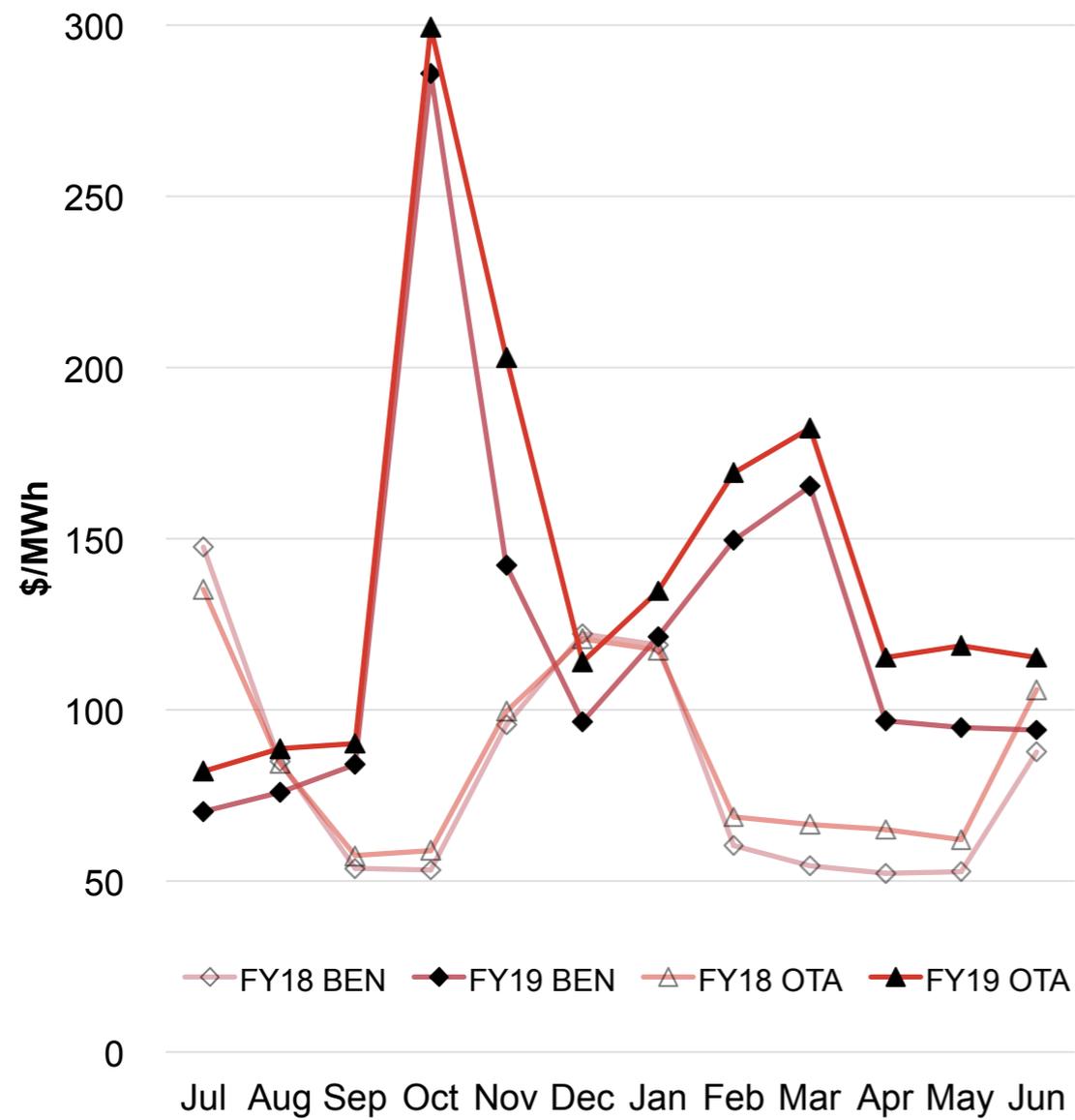


Benmore ASX futures settlement



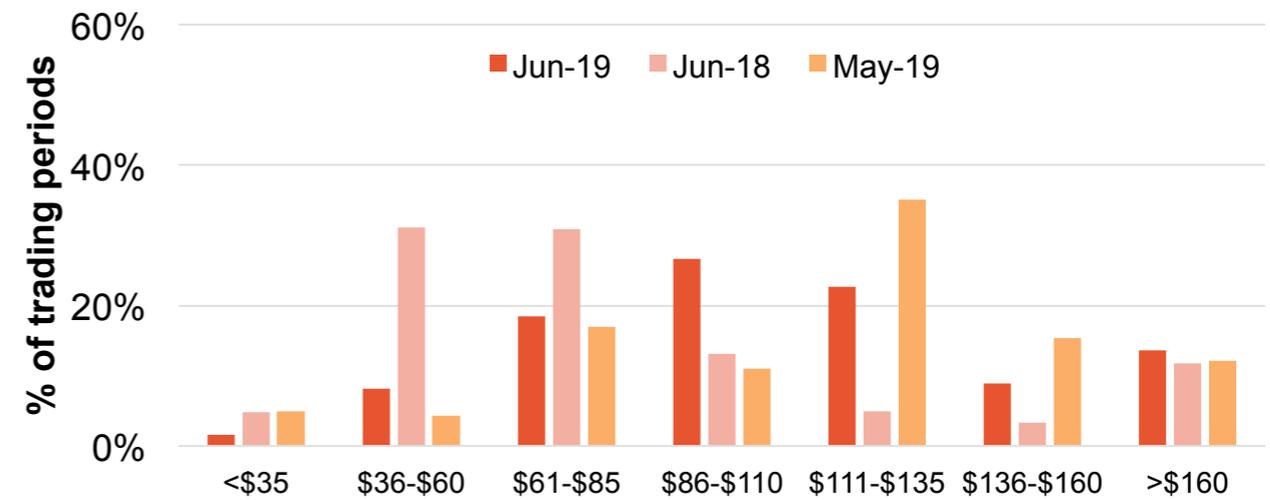
Wholesale market

Wholesale electricity pricing

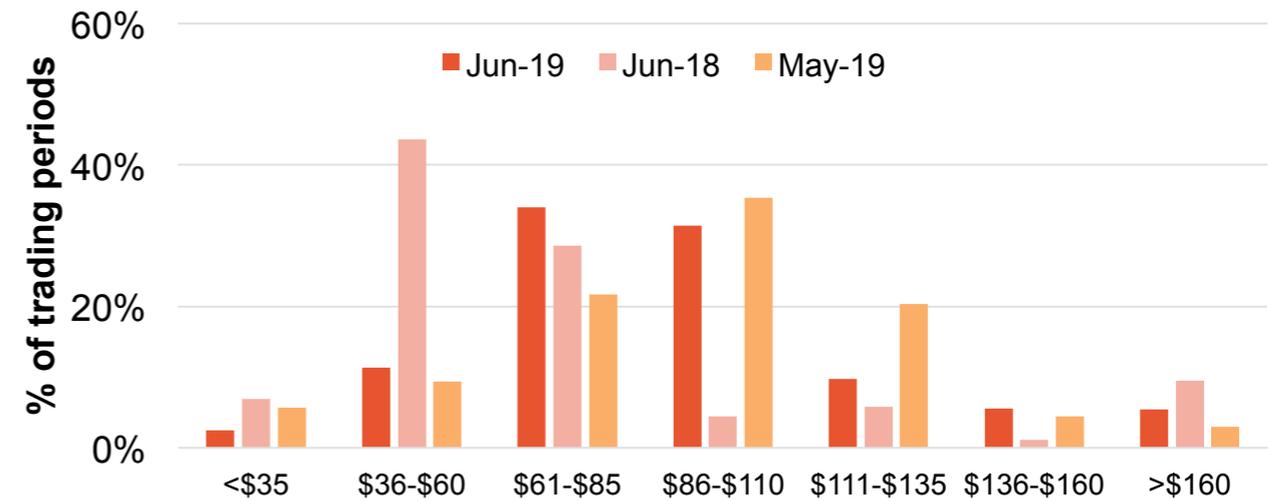


Distribution of wholesale market price by trading periods

Otahuhu node



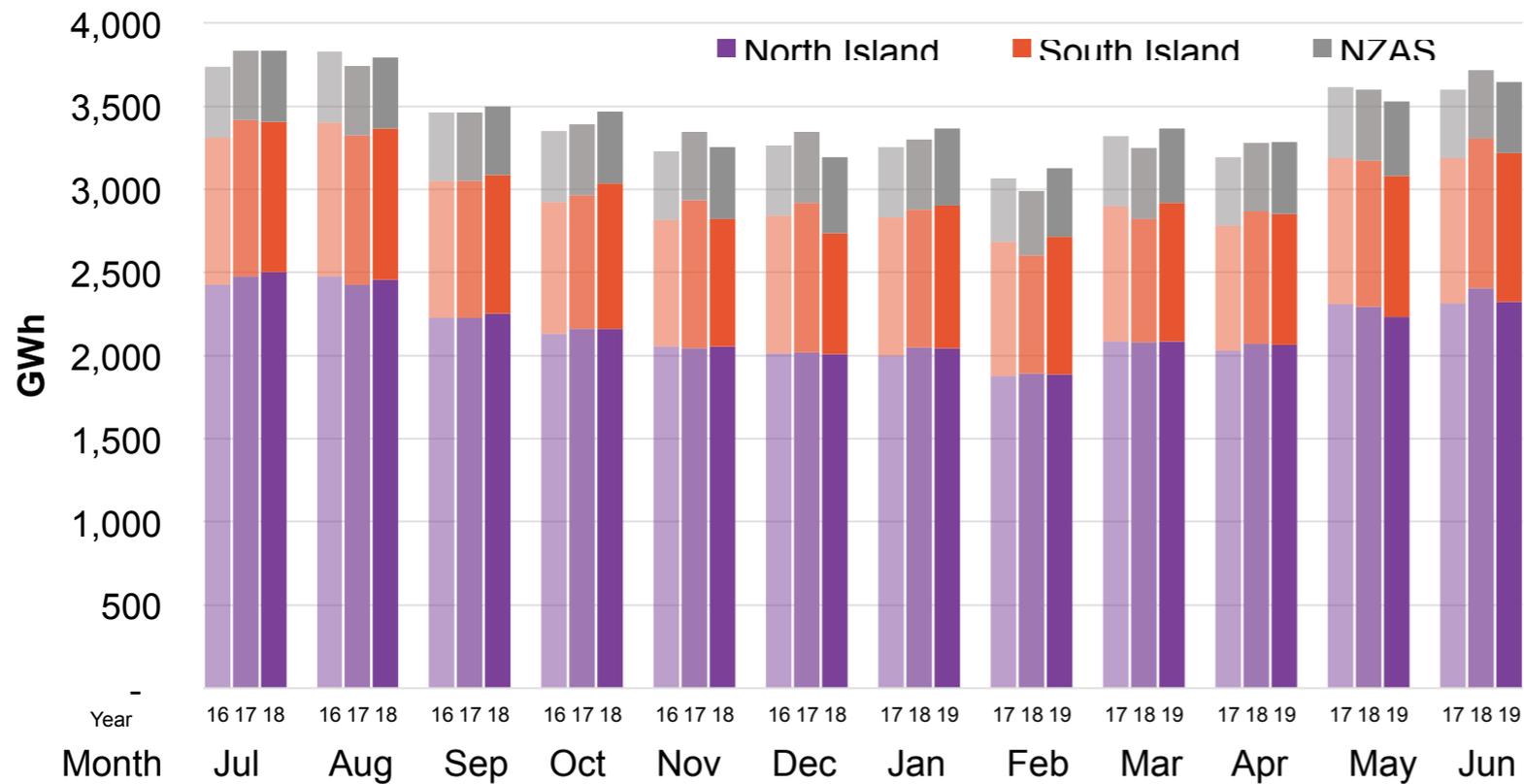
Benmore node



Electricity demand

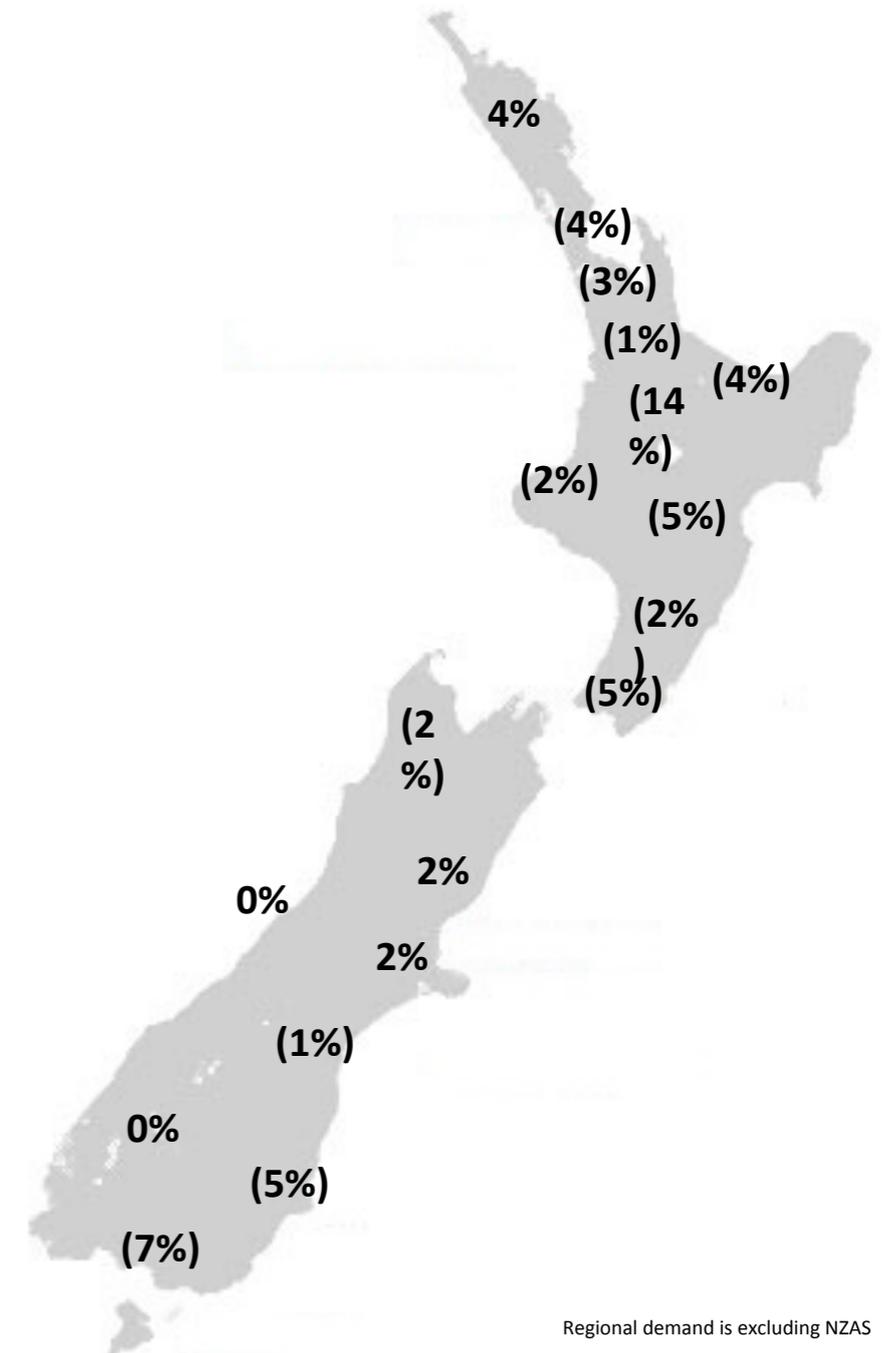
- » New Zealand electricity demand was down 1.9% on June 2018 (up 1.2% on June 2017):
 - Cumulative 12 months demand for July 2018 to June 2019 of 41,346 GWh is up by 0.2% on the prior comparative period.

Total national demand (FY17, 18 and 19)



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

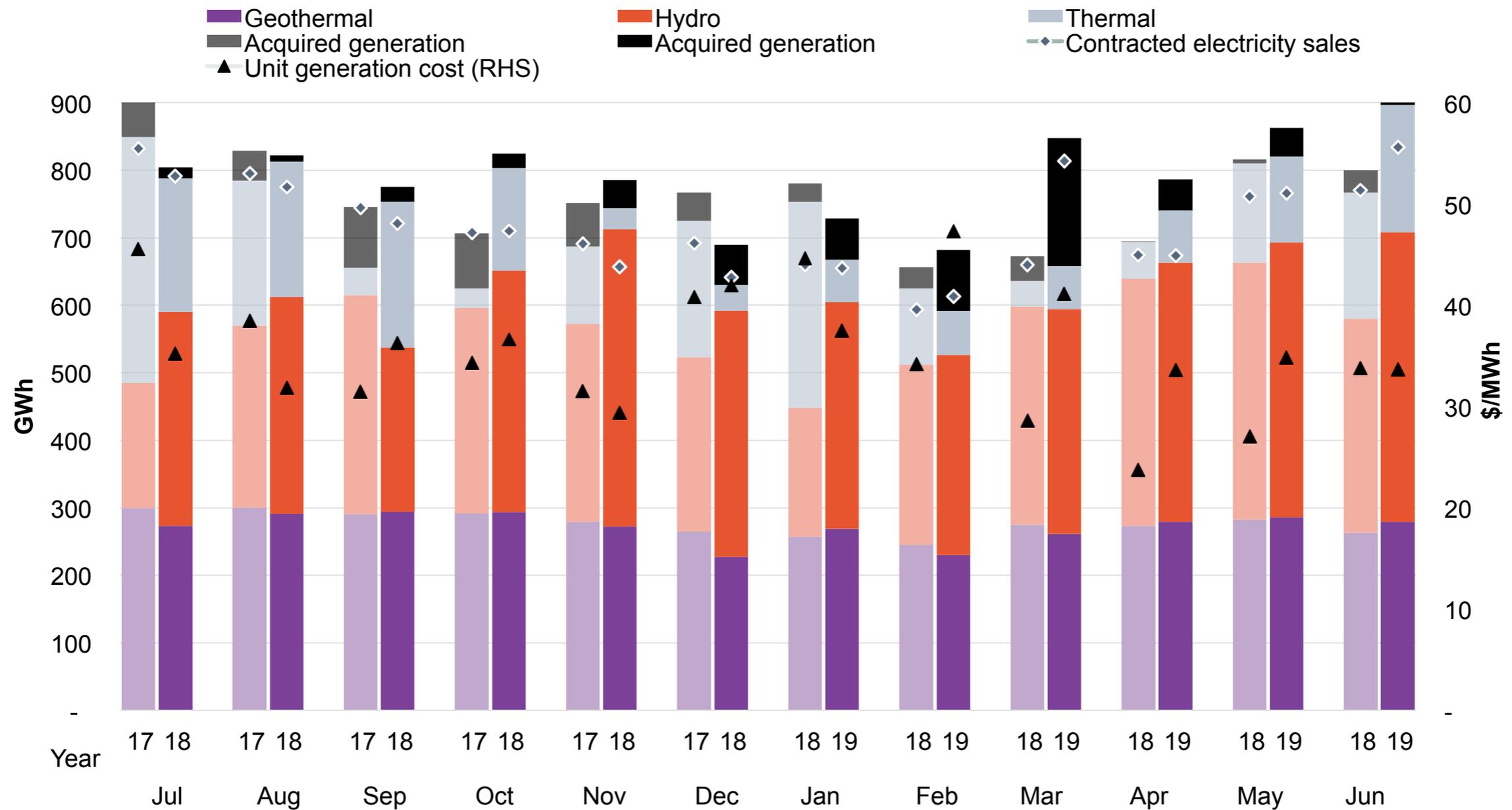
Regional demand change (%) on June 2018



Regional demand is excluding NZAS

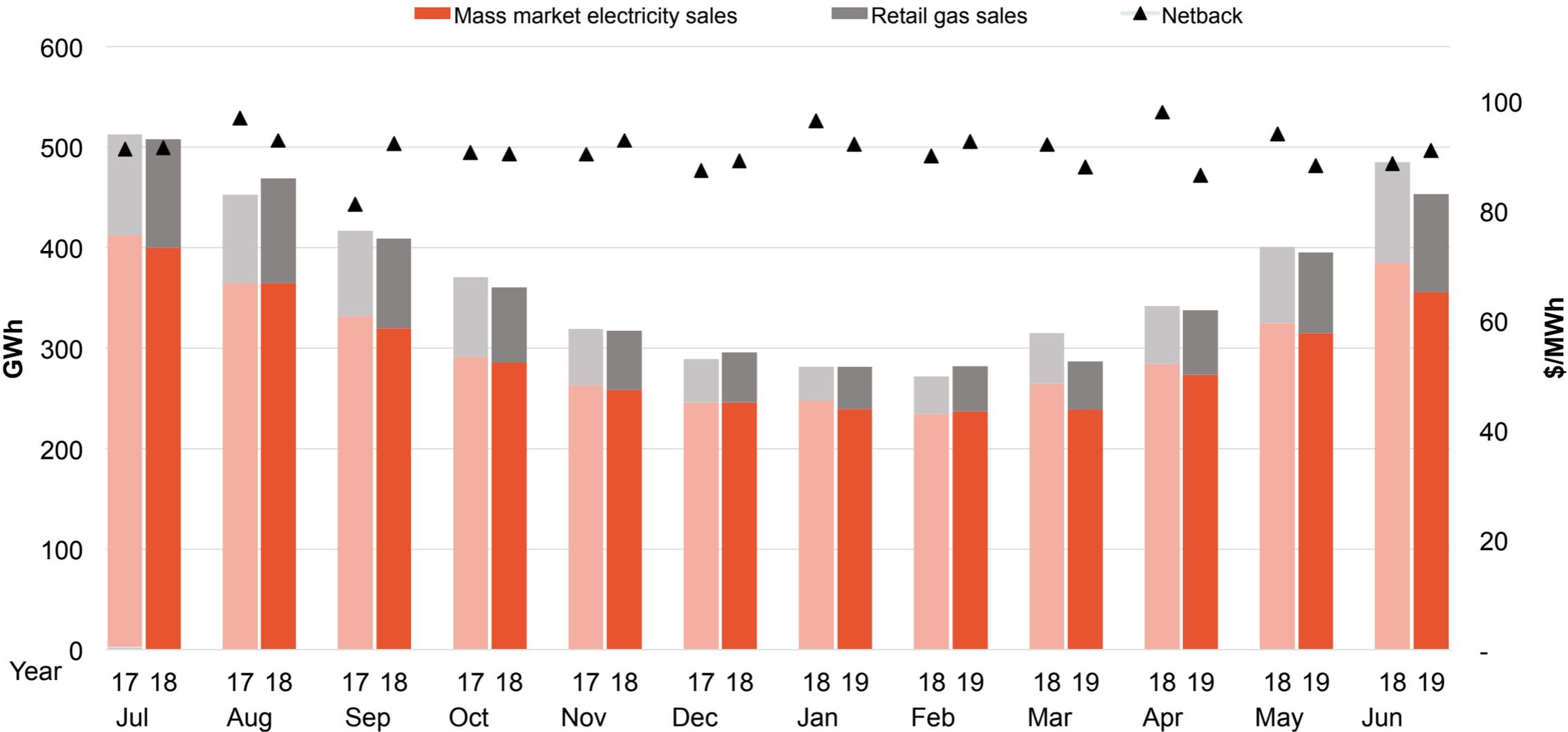
Contact's Wholesale business performance

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 June 19	The month ended June 18	The month ended May 19	Twelve months ended June 19	Twelve months ended June 18
Customer	Mass market electricity sales	GWh	356	385	315	3,533	3,648
	Retail gas sales	GWh	97	100	80	860	806
	Mass market electricity and gas sales	GWh	453	485	395	4,394	4,454
	Average electricity sales price	\$/MWh	237.44	235.32	242.31	244.40	242.25
	Electricity direct pass thru costs	\$/MWh	(106.83)	(113.51)	(117.87)	(119.08)	(118.38)
	Cost to serve	\$/MWh	(11.30)	(15.21)	(21.17)	(18.53)	(18.36)
	Customer netback	\$/MWh	90.98	88.71	88.21	90.75	91.35
	Energy cost (electricity and gas)	\$/MWh	(92.99)	(86.77)	(79.65)	(75.61)	(74.20)
	Actual electricity line losses	%	8%	6%	1%	7%	7%
	Retail gas sales	PJ	0.4	0.4	0.3	3.1	2.8
	Electricity ICPs	#	410,500	413,000	411,000		
	Gas ICPs	#	66,500	65,000	66,500		
	Wholesale	Electricity sales to Customer business	GWh	387	409	318	3,789
Electricity sales to Commercial and Industrial		GWh	207	253	232	3,019	3,376
Electricity CFD sales		GWh	241	108	216	1,844	1,266
Contracted electricity sales		GWh	834	771	767	8,652	8,582
Steam sales		GWh	10	20	20	558	584
Total electricity and steam net revenue		\$/MWh	94.83	93.27	88.26	79.97	76.18
C&I netback (at the ICP)		\$/MWh	86.54	106.26	96.51	84.97	85.24
C&I line losses		%	5%	4%	5%	4%	4%
Thermal generation		GWh	188	188	128	1,421	1,812
Geothermal generation		GWh	279	263	286	3,256	3,323
Hydro generation		GWh	430	316	407	4,231	3,479
Spot electricity sales		GWh	897	767	821	8,908	8,614
Electricity sales - Direct		GWh	1	1	3	83	90
Acquired generation		GWh	34	33	43	634	519
Electricity generated (or acquired)		GWh	932	802	867	9,625	9,223
Unit generation cost (including acquired generation)		\$/MWh	(33.68)	(32.27)	(34.85)	(36.12)	(34.25)
Spot electricity purchases		GWh	(593)	(661)	(547)	(6,725)	(7,226)
CFD sale settlements		GWh	(241)	(108)	(216)	(1,844)	(1,266)
Spot exposed purchases / CFD settlement		GWh	(833)	(770)	(763)	(8,569)	(8,492)
Spot revenue and settlement on acquired generation (GWAP)		\$/MWh	101.07	101.48	102.51	129.76	85.10
Spot purchases and settlement on CFDs sold (LWAP)		\$/MWh	(103.40)	(105.50)	(110.90)	(135.76)	(89.84)
LWAP/GWAP		%	102%	104%	108%	105%	106%
Gas used in internal generation		PJ	1.4	1.4	1.1	13.9	17.6
Gas storage net movement (extraction) / injection	PJ	(0.1)	(0.4)	(0.4)	(3.1)	(0.3)	

Keep in touch

Investors

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