

Monthly Operating Report

December 2019



Putting our energy where it matters

December overview.

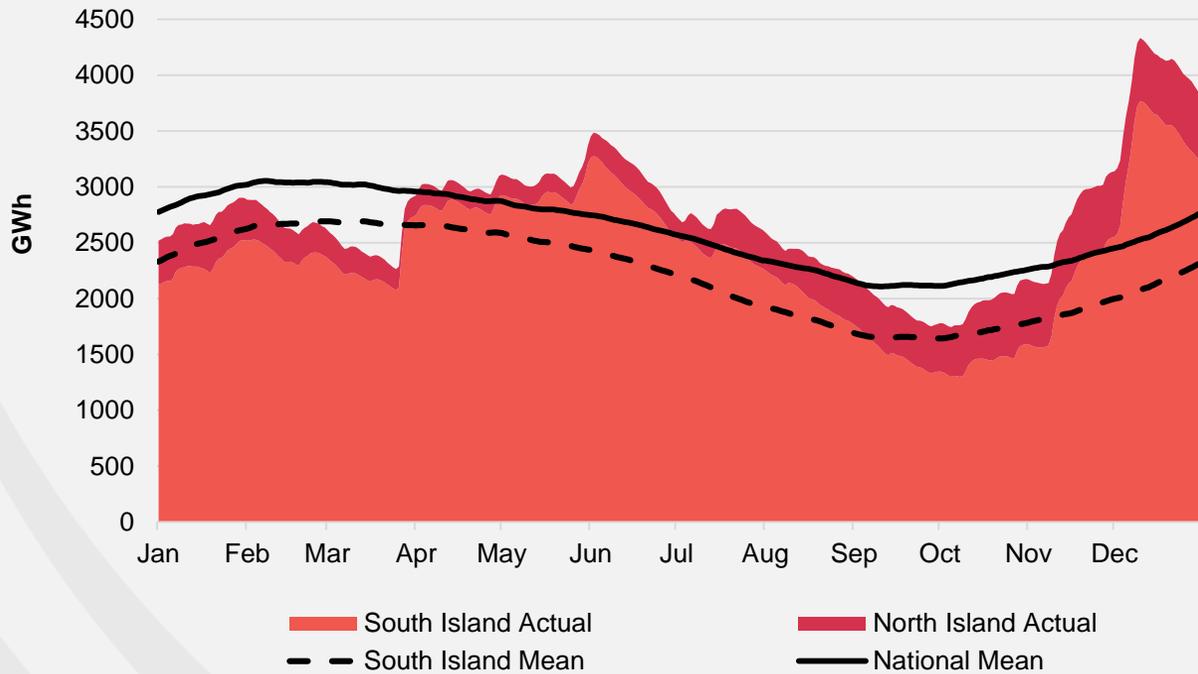
For the month of December 2019

- » The Customer business recorded:
 - Mass market electricity and gas sales of 303 GWh (December 2018: 296 GWh)
 - Mass market electricity and gas netback of \$89.89/MWh (December 2018: \$89.16/MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 639 GWh (December 2018: 641 GWh)
 - Electricity and steam net revenue of \$69.64/MWh (December 2018: \$74.10/MWh)
 - Electricity generated (or acquired) of 691 GWh (December 2018: 699 GWh)
 - The unit generation cost, which includes acquired generation was \$30.13/MWh (December 2018: \$41.67/MWh)
 - Own generation cost in the month of \$28.03/MWh (December 2018: \$28.13/MWh)
- » Otahuhu futures settlement wholesale price for the 1st quarter of 2020 (ASX):
 - As at 20 January 2020: \$132/MWh
 - As at 31 December 2019: \$140/MWh
 - As at 29 November 2019: \$148/MWh
- » As at 21 January, South Island controlled storage was 121% of mean (31 December 2019: 138%) and North Island controlled storage was 136% of mean (31 December 2019: 137%)
 - As at 21 January 2020, total Clutha scheme storage (including uncontrolled storage) was 98% of mean
 - Inflows into Contact's Clutha catchment for December 2019 were 204% of mean (November 2019: 174%, October 2019: 92%, September 2019: 52%, August 2019: 74%)

Hydro storage and forward prices.

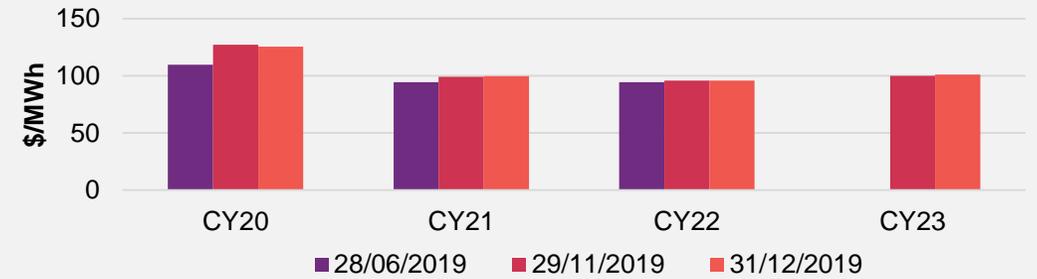
New Zealand controlled hydro storage against mean

CY2019

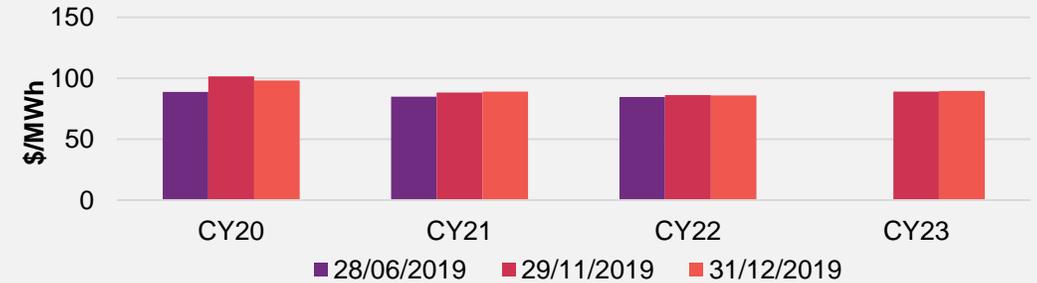


Otaguhu ASX futures settlement

Otaguhu

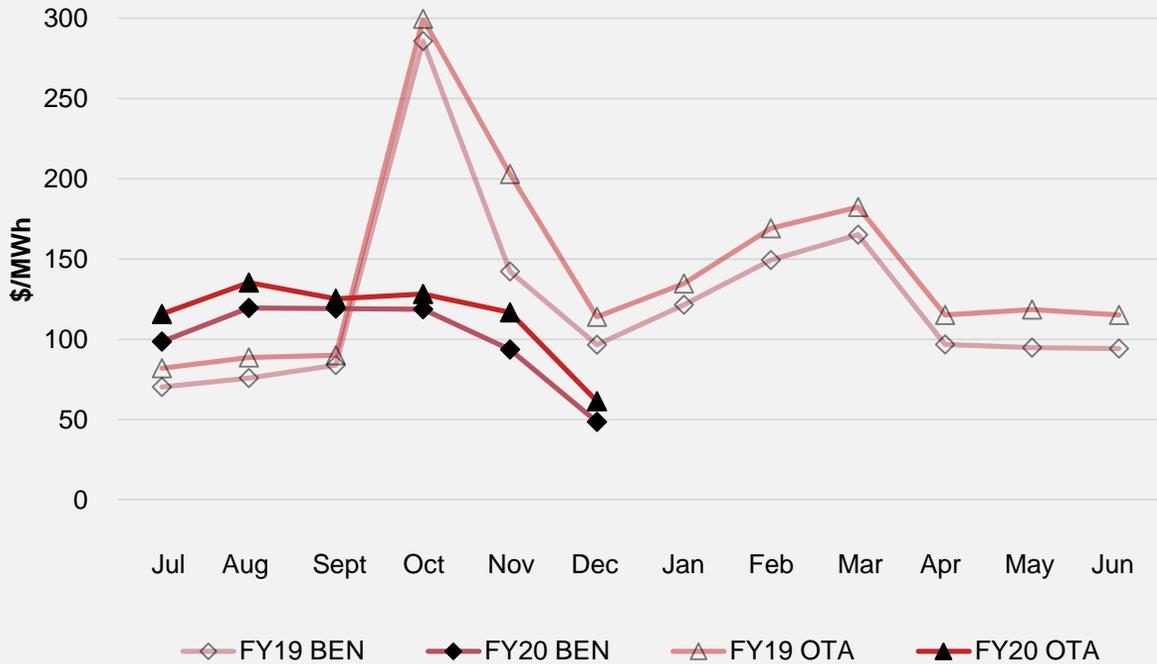


Benmore



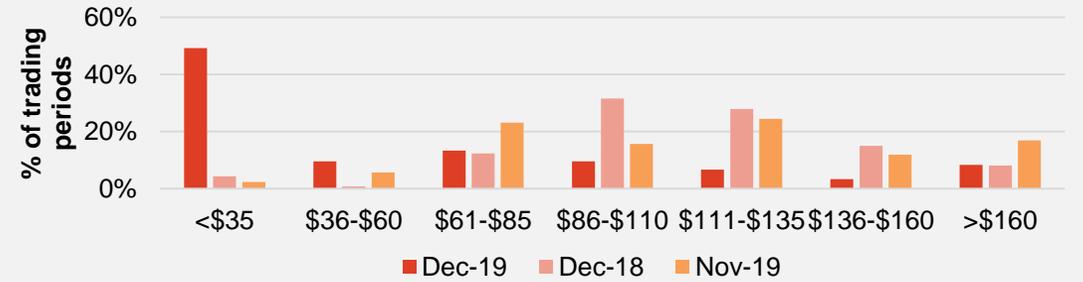
Wholesale market.

Wholesale electricity pricing

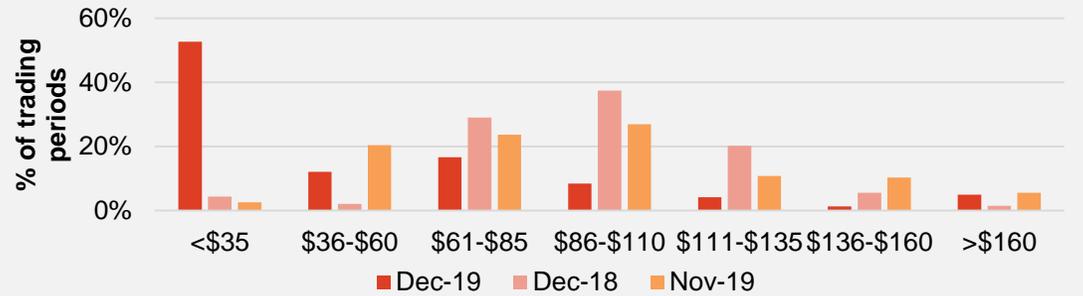


Distribution of wholesale market price by trading periods

Otahuhu



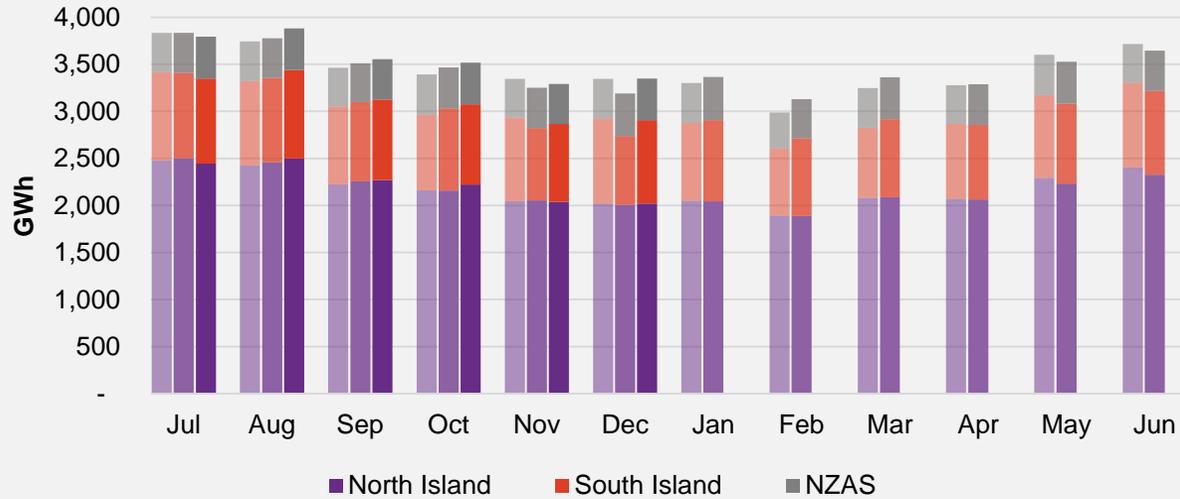
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Electricity demand.

Total national demand

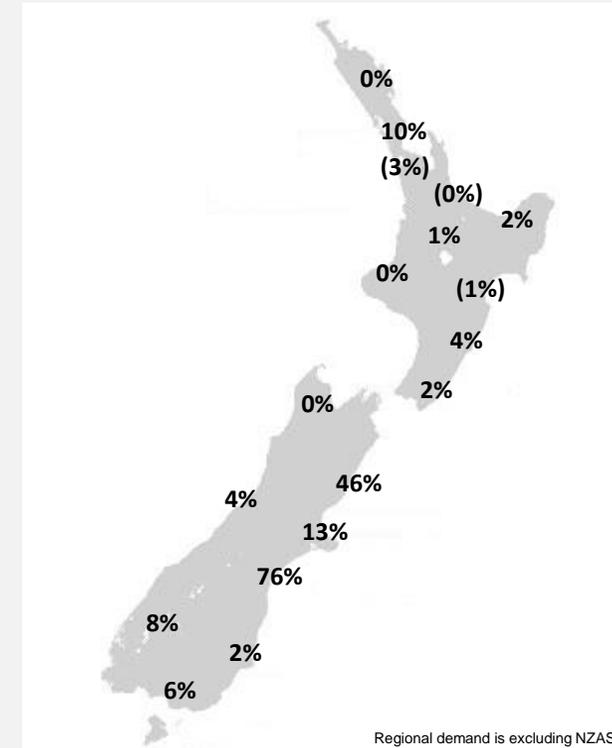
FY18, 19 and 20 respectively



- » New Zealand electricity demand was up 4.9% on December 2018 (up 0.1% on December 2017):
 - Cumulative 12 months demand for January 2019 to December 2019 of 41,698 GWh is up by 1.3% on the prior comparative period.

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

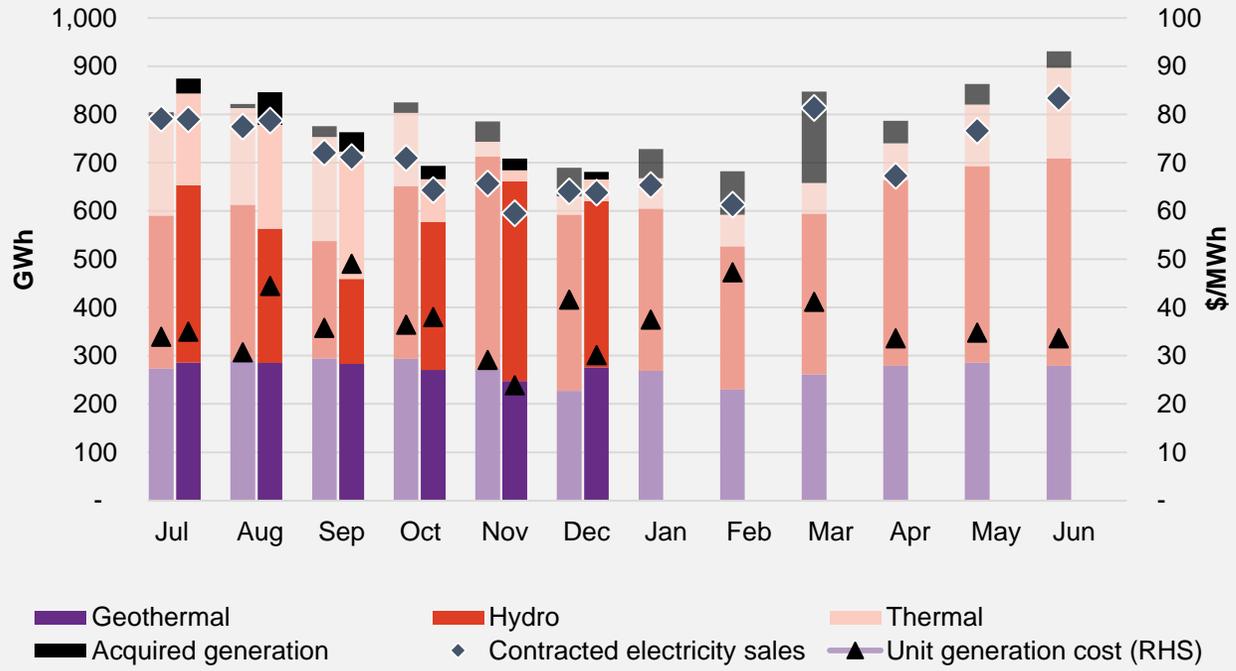
Regional demand change (%) on December 2018



Business performance.

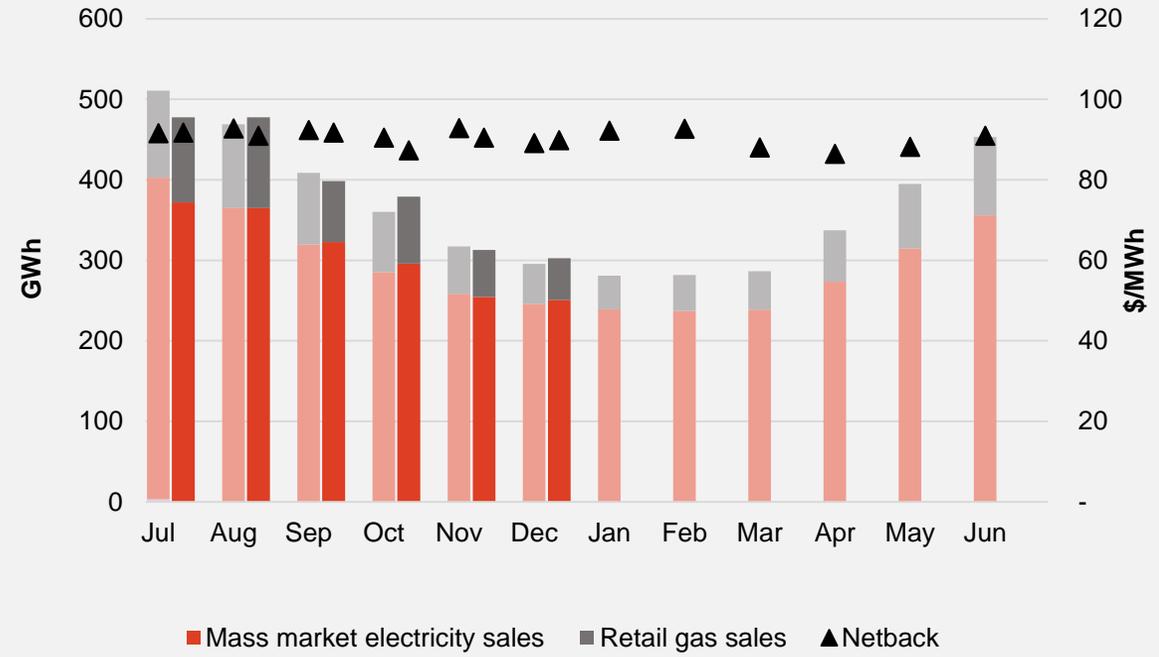
Wholesale

Generation mix, gross sales position and unit generation cost (FY19 and 20 respectively)



Customer

Retail sales volumes and netback (FY19 and 20 respectively)



Operational data.

	Measure	The month ended December 19	The month ended December 18	The month ended November 19	Six months ended December 19	Six months ended December 18	
Customer	Mass market electricity sales	GWh	251	246	255	1,861	1,874
	Retail gas sales	GWh	52	50	58	488	485
	Mass market electricity and gas sales	GWh	303	296	313	2,349	2,359
	Average electricity sales price	\$/MWh	249.17	250.48	249.66	242.02	242.57
	Electricity direct pass thru costs	\$/MWh	(125.05)	(129.49)	(122.56)	(117.06)	(117.17)
	Cost to serve	\$/MWh	(19.10)	(23.04)	(22.77)	(17.47)	(17.02)
	Customer netback	\$/MWh	89.89	89.16	90.48	90.47	91.66
	Energy cost	\$/MWh	(63.56)	(58.52)	(67.50)	(77.72)	(71.59)
	Actual electricity line losses	%	4%	7%	7%	6%	7%
	Retail gas sales	PJ	0.2	0.2	0.2	1.8	1.7
	Electricity ICPs	#	410,000	406,000	410,500		
	Gas ICPs	#	65,500	65,000	65,500		
Wholesale	Electricity sales to Customer business	GWh	262	266	274	1,986	2,017
	Electricity sales to Commercial and Industrial	GWh	197	260	198	1,202	1,572
	Electricity CFD sales	GWh	179	116	124	980	708
	Contracted electricity sales	GWh	639	641	596	4,168	4,296
	Steam sales	GWh	66	56	65	343	351
	Total electricity and steam net revenue	\$/MWh	69.64	74.10	68.50	77.92	77.84
	C&I netback (at the ICP)	\$/MWh	69.82	77.31	70.74	82.92	82.99
	C&I line losses	%	5%	4%	5%	5%	4%
	Thermal generation	GWh	44	38	23	825	836
	Geothermal generation	GWh	276	227	248	1,649	1,652
	Hydro generation	GWh	345	365	413	1,886	2,045
	Spot electricity sales	GWh	665	631	684	4,359	4,532
	Electricity sales - Direct	GWh	10	9	9	50	51
	Acquired generation	GWh	16	59	24	208	171
	Electricity generated (or acquired)	GWh	691	699	718	4,617	4,754
	Unit generation cost (including acquired generation)	\$/MWh	(30.13)	(41.67)	(23.90)	(37.12)	(34.49)
	Spot electricity purchases	GWh	(450)	(516)	(462)	(3,138)	(3,538)
	CFD sale settlements	GWh	(179)	(116)	(124)	(980)	(708)
	Spot exposed purchases / CFD settlement	GWh	(629)	(632)	(586)	(4,118)	(4,246)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	58.31	102.49	98.41	106.10	134.58
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(63.00)	(107.42)	(105.58)	(111.97)	(138.40)
	LWAP/GWAP	%	108%	105%	107%	106%	103%
Gas used in internal generation	PJ	0.6	0.6	0.4	7.9	8.1	
Gas storage net movement (extraction) / injection	PJ	0.6	0.2	0.1	0.5	(2.0)	

Keep in touch.

Investors

Matthew Forbes – GM Corporate Finance

-  investor.centre@contactenergy.co.nz
-  contact.co.nz/aboutus/investor-centre
-  +64 21 072 8578

To find out more about Contact Energy

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