



13 November 2020

### **October 2020 Operating Report**

The October 2020 Operating Report has been re-issued to correct an error to the October 2020 'Electricity and steam net revenue' which is \$76.69/MWh.

The year to date operating numbers are unchanged.

There are no other changes to the report.

Investor enquiries  
Matthew Forbes  
+64 21 072 8578

# Monthly Operating Report

October 2020



Putting our energy where it matters

## October overview.

### For the month of October 2020

- » The Customer business recorded:
  - Mass market electricity and gas sales of 346 GWh (October 2019: 379 GWh)
  - Mass market electricity and gas netback of \$99.15/MWh (October 2019: \$87.32MWh)
- » The Wholesale business recorded:
  - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 638 GWh (October 2019: 644GWh)
  - Electricity and steam net revenue of \$76.69/MWh (October 2019: \$73.02/MWh)
  - Electricity generated (or acquired) of 716 GWh (October 2019: 703 GWh)
  - The unit generation cost, which includes acquired generation was \$36.99/MWh (October 2019: \$38.05/MWh)
    - Own generation cost in the month of \$30.95/MWh (October 2019: \$34.28/MWh)
- » Otahuhu futures settlement wholesale price for the 4<sup>th</sup> quarter of 2020 (ASX):
  - As at 04 November 2020: \$110/MWh
  - As at 31 October 2020: \$114/MWh
  - As at 30 September 2020: \$118/MWh
- » As at 5 November 2020, South Island controlled storage was 108% of mean (29 October 2020: 99%) and North Island controlled storage was 94% of mean (29 October 2020: 88%)
  - As at 5 November 2020, total Clutha scheme storage (including uncontrolled storage) was 106% of mean
  - Inflows into Contact's Clutha catchment for October 2020 were 79% of mean (September 2020: 101%, August 2020: 75%, July 2020: 122%, June 2020: 73%)

## FY21 updated guidance

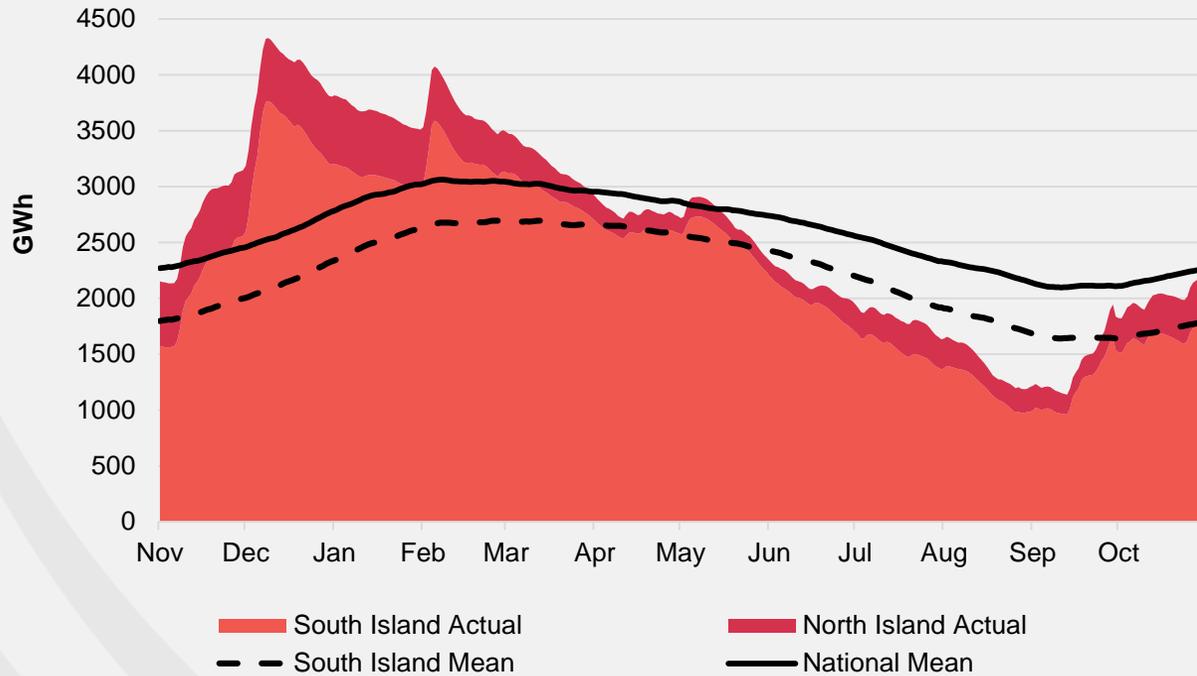
	FY21 Guidance	Change to prior guidance	
Other operating costs	\$200 – 210m*	↑\$5m	Portfolio change: Simply Energy other operating costs included after acquisition (completion 1 September 2020)
Stay in business capital expenditure	\$55 – 60m		No change
<b>Cash spend ('Totex')</b>	<b>\$255 – 270m</b>		
Depreciation and amortisation	\$215 – 225m	↓\$35m	TCC now expected to be fully depreciated by 31 December 2023 (previously 31 December 2022).
Net interest (accounting)	\$45 – 50m	↓\$10m	Interest on Tauhara capitalised
Cash interest (in operating cash flow)	\$40 – 45m		
Cash taxation	\$75 – 85m	No change	
Target ordinary dividend per share	No guidance issued	No change	
Geothermal volumes	3,050Wh	No change	

\* Excludes any additional abnormal impacts due to COVID-19

# Hydro storage and forward prices.

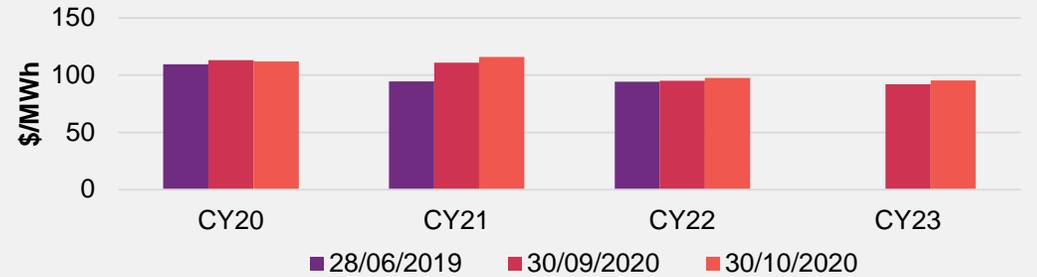
## New Zealand controlled hydro storage against mean

12 MONTHS

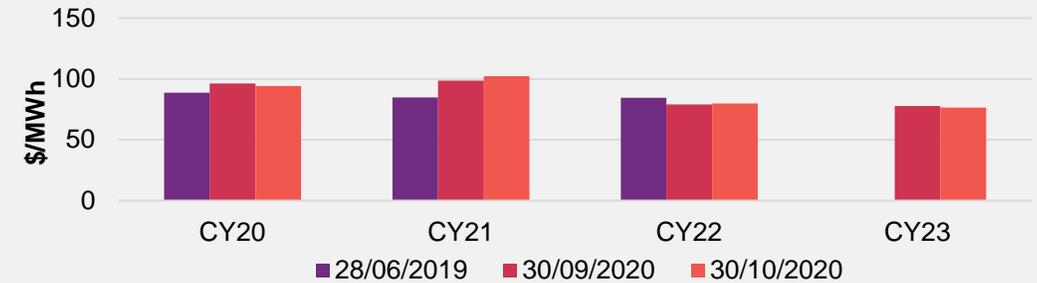


## ASX futures settlement

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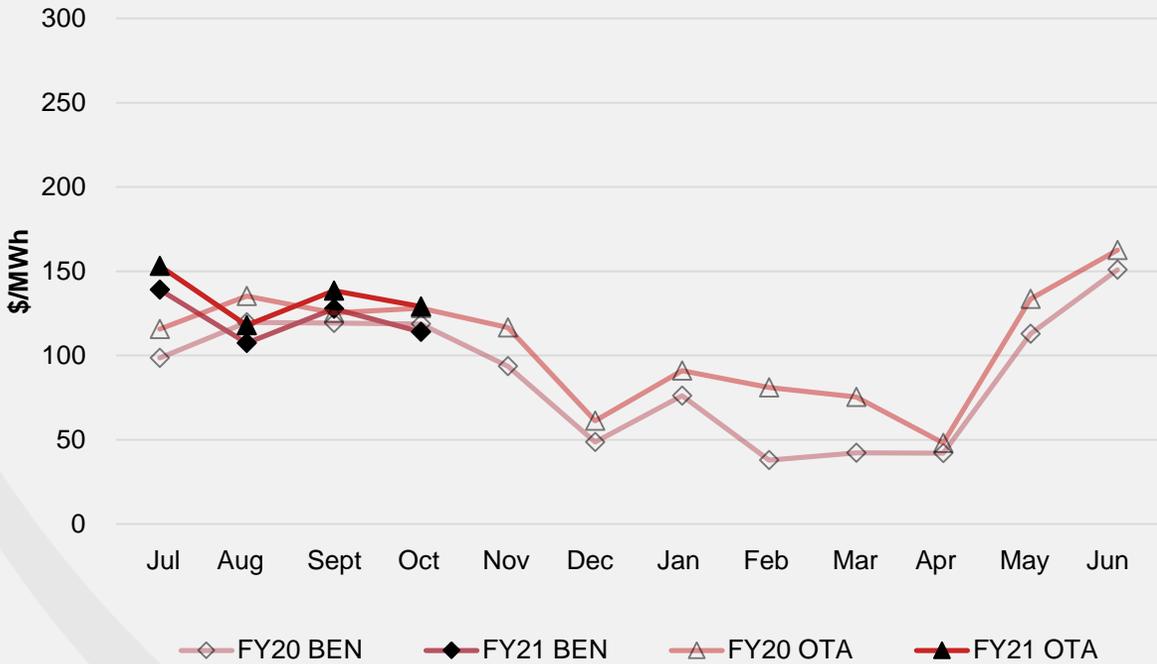


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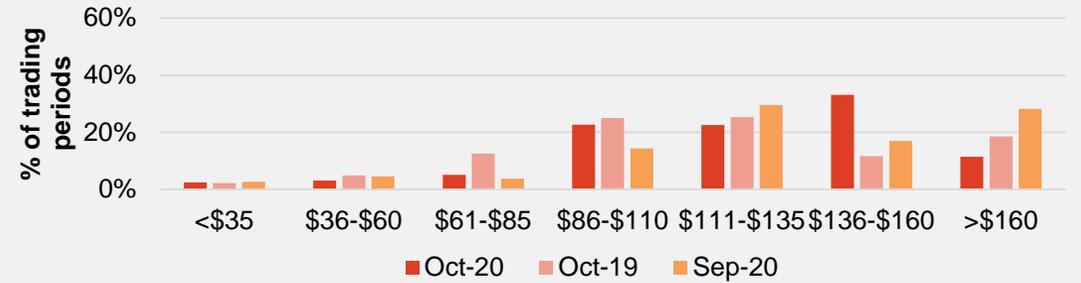
# Wholesale market.

## Wholesale electricity pricing

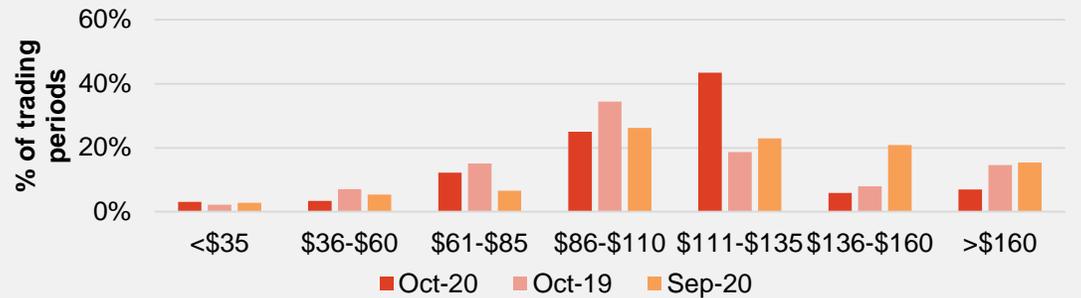


## Distribution of wholesale market price by trading periods

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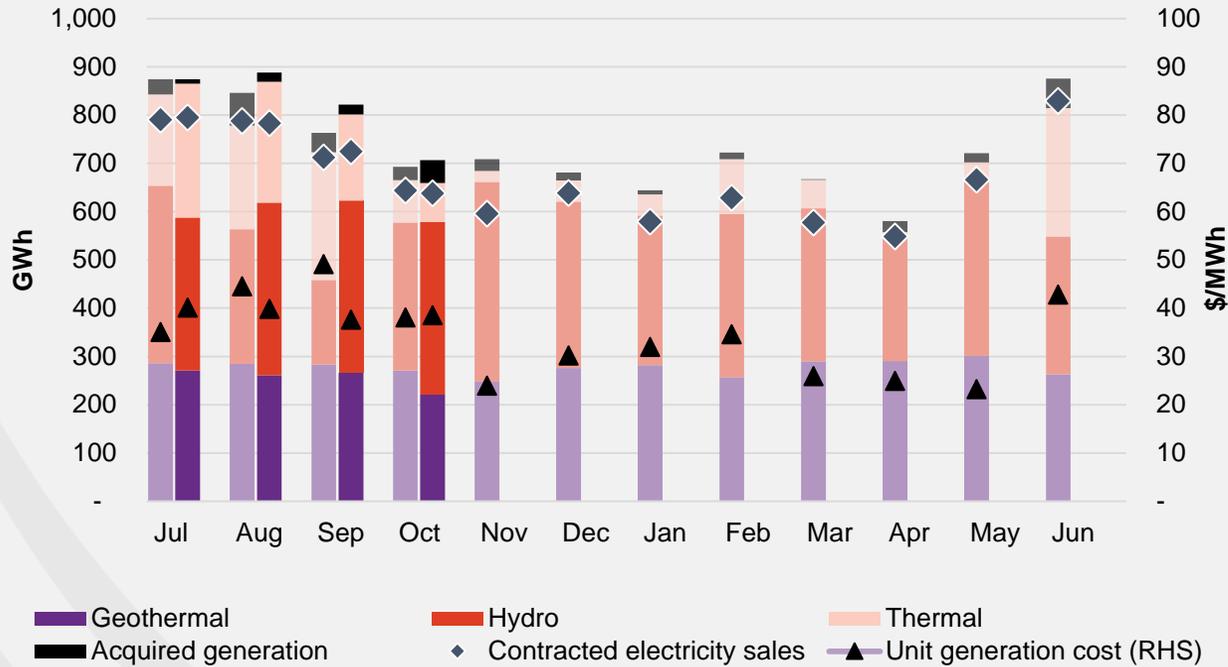
# Electricity demand.

Market data not available at time of publishing

# Business performance.

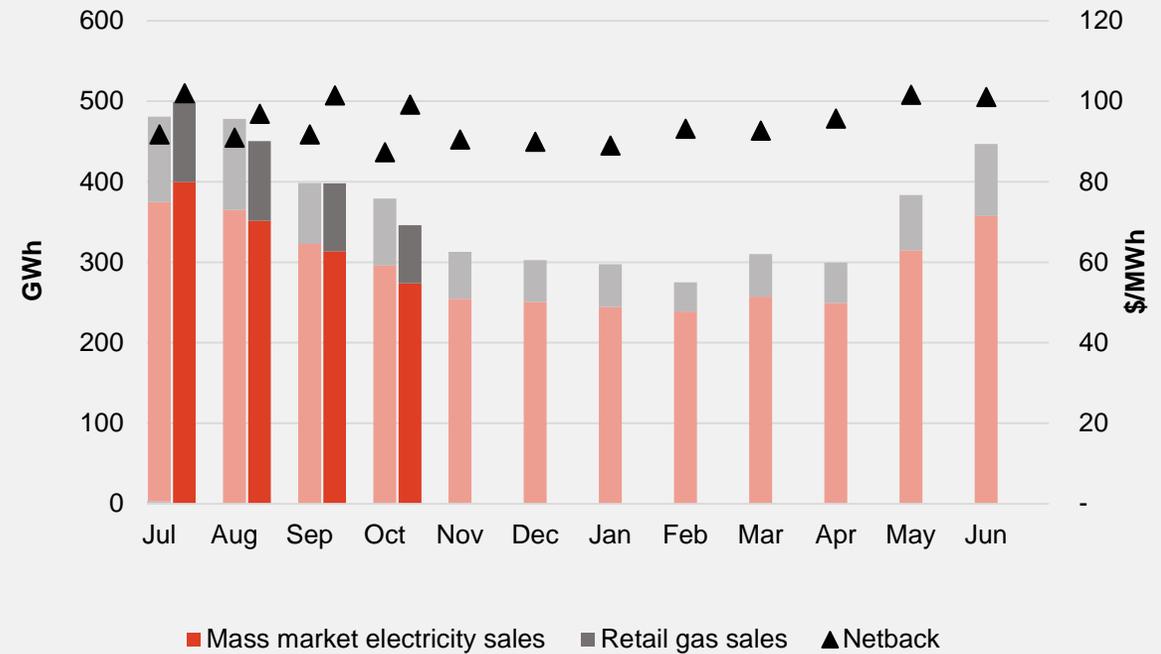
## Wholesale

Generation mix, gross sales position and unit generation cost (FY20 and 21 respectively)



## Customer

Retail sales volumes and netback (FY20 and 21 respectively)



## Operational data.

	Measure	The month ended October 20	The month ended October 19	The month ended September 20	Four months ended October 20	Four months ended October 19	
Customer	Mass market electricity sales	GWh	274	296	314	1,339	1,356
	Retail gas sales	GWh	72	83	84	355	378
	Mass market electricity and gas sales	GWh	346	379	398	1,694	1,733
	Average electricity sales price	\$/MWh	248.47	241.12	244.66	242.84	239.27
	Electricity direct pass thru costs	\$/MWh	(111.73)	(117.07)	(108.47)	(107.05)	(114.54)
	Cost to serve	\$/MWh	(19.19)	(19.04)	(15.12)	(16.46)	(16.23)
	Customer netback	\$/MWh	99.15	87.32	101.48	99.93	90.57
	Energy cost	\$/MWh	(80.21)	(70.15)	(83.99)	(91.25)	(82.04)
	Actual electricity line losses	%	9%	5%	9%	7%	7%
	Retail gas sales	PJ	0.3	0.3	0.3	1.3	1.4
	Electricity ICPs	#	407,000	410,500	410,500	411,375	410,750
	Gas ICPs	#	64,500	66,000	64,500	64,500	66,125
	Broadband connections	#	34,000	18,000	32,000	31,000	16,000
Wholesale	Electricity sales to Customer business	GWh	300	311	345	1,446	1,450
	Electricity sales to Commercial and Industrial	GWh	168	204	160	629	807
	Electricity CFD sales	GWh	171	128	220	865	677
	Contracted electricity sales	GWh	638	644	725	2,940	2,934
	Steam sales	GWh	78	61	76	259	213
	Total electricity and steam net revenue	\$/MWh	76.69	73.02	83.78	88.99	81.75
	C&I netback (at the ICP)	\$/MWh	75.24	84.12	84.05	86.68	89.03
	C&I line losses	%	3%	5%	4%	4%	4%
	Thermal generation	GWh	81	89	179	788	758
	Geothermal generation	GWh	221	271	266	1,019	1,125
	Hydro generation	GWh	357	306	356	1,388	1,127
	Spot electricity sales	GWh	659	666	801	3,195	3,010
	Electricity sales - Direct	GWh	10	10	9	30	31
	Acquired generation	GWh	47	28	21	96	168
	<b>Electricity generated (or acquired)</b>	<b>GWh</b>	<b>716</b>	<b>703</b>	<b>831</b>	<b>3,321</b>	<b>3,208</b>
	Unit generation cost (including acquired generation)	\$/MWh	(36.99)	(38.05)	(37.59)	(38.72)	(41.59)
	Spot electricity purchases	GWh	(457)	(506)	(495)	(2,045)	(2,226)
	CFD sale settlements	GWh	(171)	(128)	(220)	(865)	(677)
	Spot exposed purchases / CFD settlement	GWh	(628)	(634)	(715)	(2,910)	(2,903)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	111.42	124.22	128.39	124.33	118.06
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(119.49)	(129.81)	(137.20)	(132.71)	(123.87)
	LWAP/GWAP	%	107%	105%	107%	107%	105%
	Gas used in internal generation	PJ	0.9	1.0	1.7	7.0	6.9
Gas storage net movement (extraction) / injection	PJ	(0.3)	0.0	(0.2)	(1.0)	(0.1)	

## Keep in touch.

### Investors

#### Matthew Forbes – GM Corporate Finance

-  [investor.centre@contactenergy.co.nz](mailto:investor.centre@contactenergy.co.nz)
-  [contact.co.nz/aboutus/investor-centre](http://contact.co.nz/aboutus/investor-centre)
-  +64 21 072 8578

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