



meridian

## **Release**

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*Stock exchange listings: NZX (MEL) ASX (MEZ)*

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# Meridian Energy monthly operating report for April 2015

13 May, 2015

Attached is Meridian Energy Limited's monthly operating report for the month ending 30 April, 2015.

Highlights this month include:

- National storage increased to 102% of average by 12 May 2015
- Meridian's April 2015 monthly inflows were 105% of average
- Meridian's Waitaki catchment storage increased from 72% to 80% of average by 30 April 2015
- Electricity demand in April 2015 was 1.9% higher than the same month last year
- Demand in the last 12 months is 2.2% higher than preceding 12 months

**ENDS**

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**Important Notice for Investors:** The securities of Meridian Energy Limited are represented by Instalment Receipts. Each Instalment Receipt carries a liability to pay a further instalment of NZ\$0.50 on 15 May 2015. When investors acquire the Instalment Receipts they assume the liability to pay the Final Instalment. It is the investor's responsibility to ensure that if they are on the register when the liability for the instalment arises, they can afford to pay the instalment. If an investor has a liability and does not pay the instalment, the Trustee can take action to recover the amount owing including costs and expenses.

Meridian Energy Limited (ARBN 151 800 396) A company incorporated in New Zealand 33 Customhouse Quay, PO Box 10840, Wellington 6143

[www.meridian.co.nz](http://www.meridian.co.nz)

# ***Monthly Operating Report***

## **April 2015**



meridian



# April Highlights



In the month to 12 May 2015, national hydro storage increased from 66% to 102% of historical average

South Island storage now sits at 103% of average and North Island storage at 92% of average

Meridian's April 2015 monthly inflows were 105% of historical average

Meridian's Waitaki catchment storage increased from 72% to 80% of average by the end of April 2015

National electricity demand in April 2015 was 1.9% higher than the same month last year

Demand in the last 12 months is 2.2% higher than the preceding 12 months

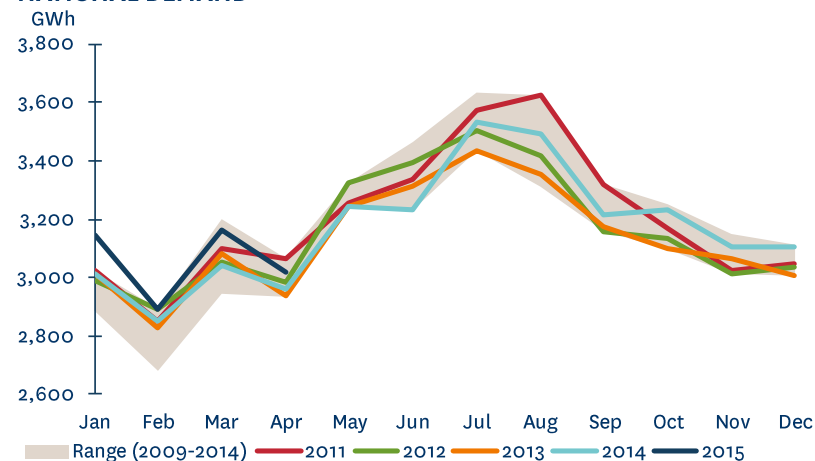
*Inland Revenue has reached a final decision on tax treatment of hydro powerhouse structures. This will have a positive impact on Meridian's 2015 Net Profit after Tax, reversing previous years' impacts. The decision does not materially affect Meridian's 2015 cash flow position.*



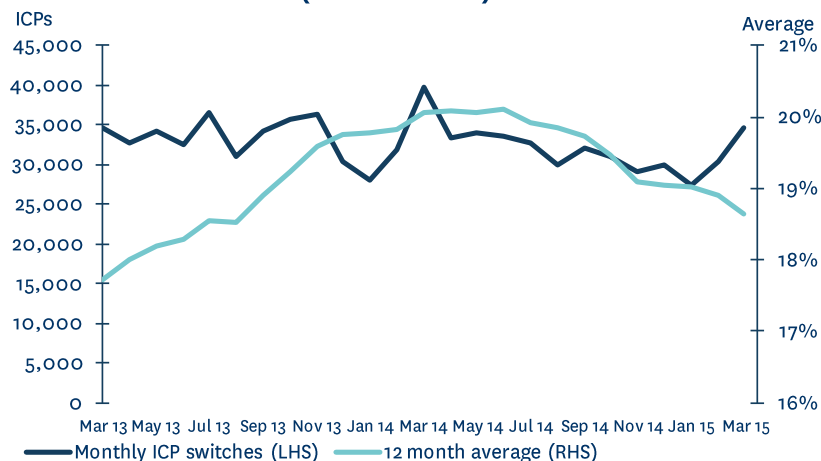
# Market Data

- National electricity demand in April 2015 was 1.9% higher than the same month last year
- Demand in the 2015 calendar year is showing around 2.9% growth compared with the same four month period last year
- New Zealand Aluminium Smelters' average load during April 2015 was slightly above the 572MW base quantity of the NZAS agreement
- The number of switches for all retailers in March 2015 was 14.5% higher than the previous month and 12.8% lower than March 2014
- The 12 month average switching rate for all retailers was 18.6% at the end of March 2015

## NATIONAL DEMAND

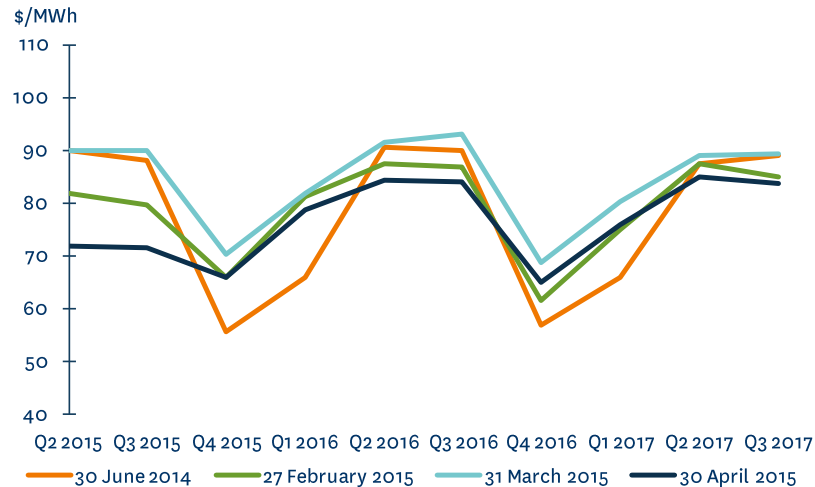


## MARKET ICP SWITCHING (ALL RETAILERS)

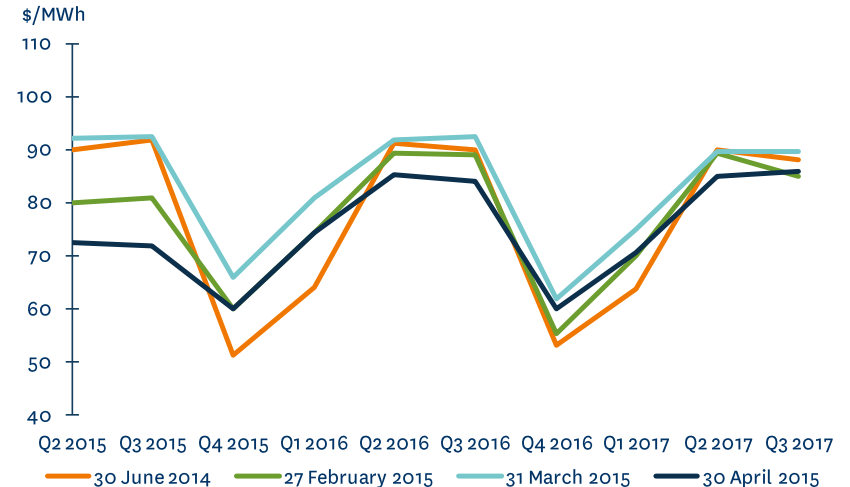


# Market Data

**OTAHUHU ASX FUTURES SETTLEMENT PRICE**

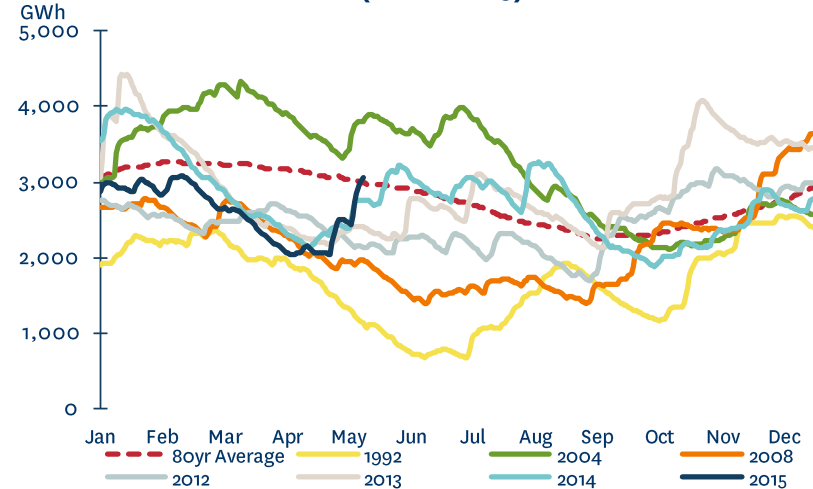


**BENMORE ASX FUTURES SETTLEMENT PRICE**



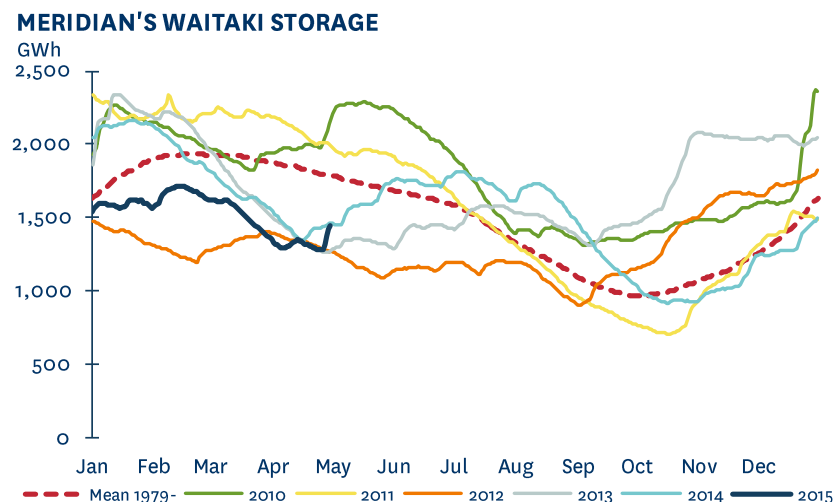
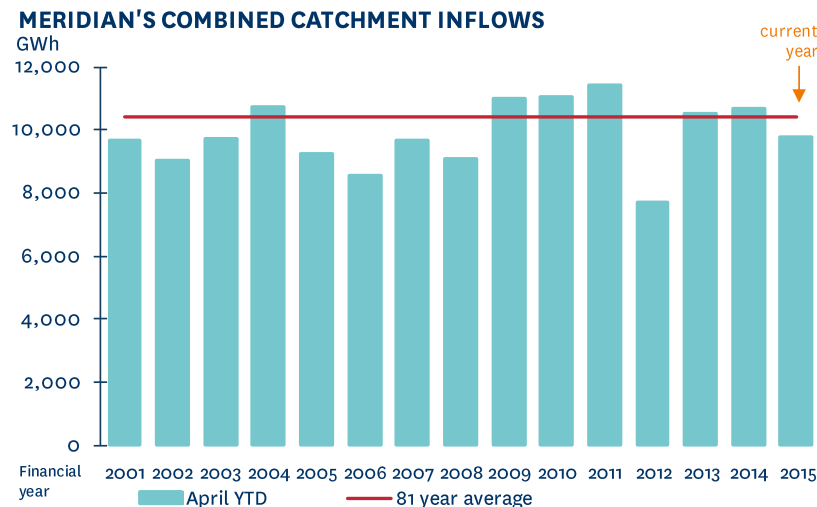
- April 2015 saw decreases in near-term ASX futures prices with increasing national hydro storage
- National storage increased from 66% of the 80 year average on 12 April 2015 to 102% of average by 12 May 2015
- South Island storage increased to 103% of historical average by 12 May 2015. North Island storage increased to 92% of average

**NATIONAL HYDRO STORAGE (12 MAY 2015)**



# Meridian Operating Information

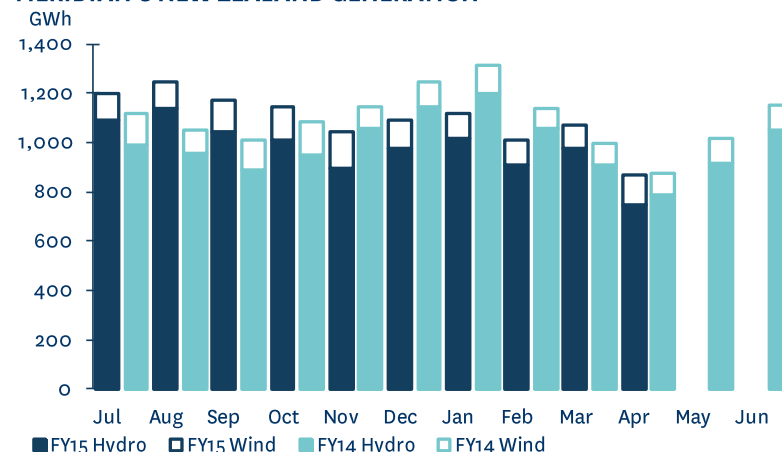
- April monthly inflows were 105% of historical average
- To date this financial year inflows are 94% of historical average
- Meridian's Waitaki catchment storage moved from 1,349GWh to 1,440GWh during April 2015
- Storage at the end of April 2015 was 80% of historical average, compared with the position a month earlier, where storage was at 72% of historical average
- Waitaki storage at the end of April 2015 was 1% lower than the same time last year
- Storage in Meridian's Waiau catchment rose significantly during April 2015



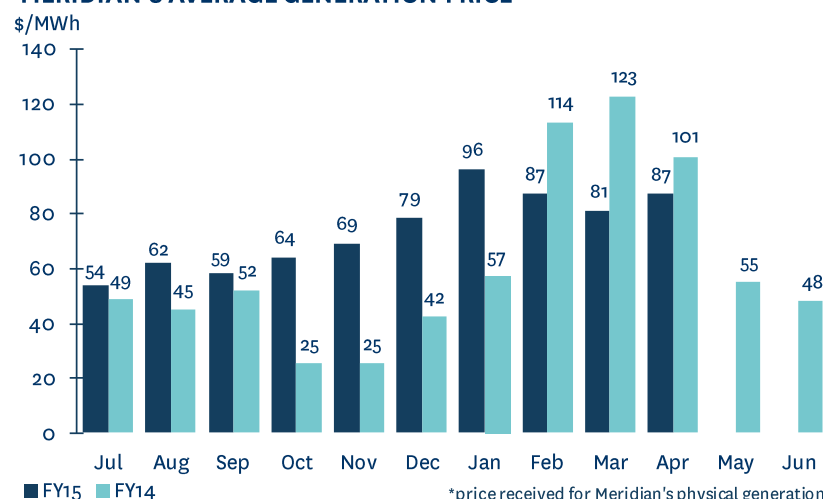
# Meridian Operating Information

- Meridian's New Zealand generation in April 2015 was 1.4% lower than the same month last year
- To date this financial year Meridian's New Zealand generation is 0.2% lower than the same period last year
- The average price Meridian received for its generation in April 2015 was 13.7% lower than the same month last year
- The average price Meridian paid to supply contracted sales in April 2015 was 12.1% lower than the same month last year
- To date this financial year, the average price Meridian has received for its generation is 18.0% higher than the same period last year

**MERIDIAN'S NEW ZEALAND GENERATION**



**MERIDIAN'S AVERAGE GENERATION PRICE\***

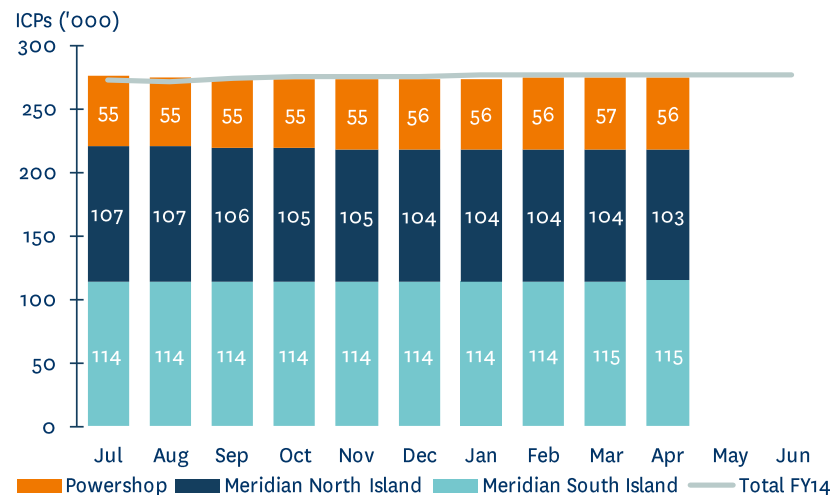


\*price received for Meridian's physical generation

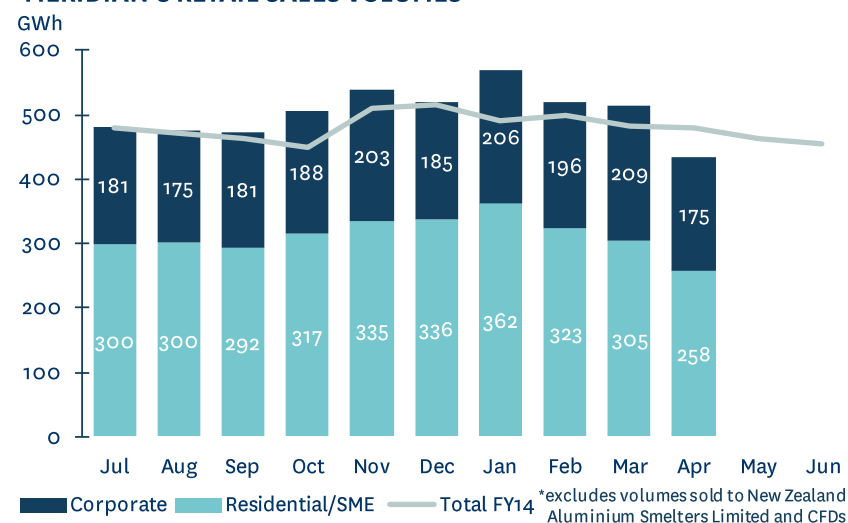
# Meridian Operating Information

- Meridian's New Zealand customer connection numbers decreased 0.2% during April 2015
- Retail sales volumes in April 2015 decreased by 9.5% compared to April 2014
- Compared to April 2014, residential/SME sales volumes decreased by 0.3% and corporate sales volumes decreased by 20.4%
- Corporate sales in April 2015 include a cumulative volume adjustment relating to the first three months of this calendar year
- To date this financial year Meridian's retail sales volumes are 4.0% higher than the same period last year
- This reflects a 9.2% increase in residential/SME sales volumes and a 3.7% decrease in corporate sales volumes

**MERIDIAN'S NEW ZEALAND CUSTOMER CONNECTIONS**



**MERIDIAN'S RETAIL SALES VOLUMES\***





# Meridian Operating Information

	April 2015 month	April 2014 month	March 2015 month	February 2015 month	10 months to April 2015	10 months to April 2014
<b>New Zealand Contracted Sales<sup>1</sup></b>						
Retail contracted sales volume (GWh)	434	479	514	519	5,029	4,837
Average retail contracted sales price (\$/MWh)	\$110.4	\$112.1	\$94.6	\$92.7	\$99.8	\$101.2
NZAS sales volume (GWh)	412	412	426	384	4,173	4,173
Sell side derivative volumes <sup>2</sup> (GWh)	11	53	49	50	791	753
Wholesale contracted sales average price (\$/MWh)	\$49.8	\$54.7	\$52.1	\$53.6	\$51.2	\$50.8
Total New Zealand customer connections <sup>3</sup>	274,881	277,810	275,488	274,673		
Powershop Australia customer connections <sup>4</sup>	<i>not disclosed</i>	<i>not disclosed</i>	35,138	<i>not disclosed</i>		
<b>New Zealand Generation</b>						
Hydro generation volume (GWh)	745	785	977	907	9,811	9,940
Wind generation volume (GWh)	121	93	95	102	1,152	1,041
Total generation volume (GWh)	865	878	1,072	1,009	10,963	10,981
Average generation price <sup>5</sup> (\$/MWh)	\$87.1	\$100.9	\$81.0	\$87.4	\$73.1	\$61.9
Acquired generation volume <sup>6</sup> (GWh)	114	165	40	59	783	1,003
Cost of acquired generation (\$/MWh)	\$86.6	\$90.1	\$80.1	\$85.2	\$83.9	\$84.5
Cost to supply contracted sales (\$/MWh)	\$91.2	\$103.8	\$83.2	\$91.0	\$77.8	\$67.0

1. Contracted sales volumes and volume weighted average price received from contracted customers less distribution costs

2. Excludes the sell-side of virtual asset swaps

3. Meridian Retail and Powershop New Zealand installation control points (ICPs), excluding vacants

4. Financially responsible market participants, excluding vacants

5. Volume weighted average price received for Meridian's physical generation

6. Excludes the buy-side of virtual asset swaps

# Glossary

<b>Acquired generation volumes</b>	buy-side electricity derivatives excluding the buy-side of virtual asset swaps
<b>Average generation price</b>	the volume weighted average price received for Meridian's physical generation
<b>Average retail contracted sales price</b>	volume weighted average electricity price received from retail customers, less distribution costs
<b>Average wholesale contracted sales price</b>	volume weighted average electricity price received from wholesale customers, including NZAS
<b>Combined catchment inflows</b>	combined water inflows into Meridian's Waitaki and Waiau hydro storage lakes
<b>Cost of acquired generation</b>	volume weighted average price Meridian pays for derivatives acquired to supplement generation
<b>Cost to supply contracted sales</b>	volume weighted average price Meridian pays to supply contracted customer sales
<b>Customer connections (NZ)</b>	number of installation control points, excluding vacants
<b>GWh</b>	gigawatt hour. Enough electricity for 125 average New Zealand households for one year
<b>Historic average inflows</b>	the historic average combined water inflows into Meridian's Waitaki and Manapouri hydro storage lakes over the last 81 years
<b>Historic average storage</b>	the historic average level of storage in Meridian's Waitaki catchment since 1979
<b>HVDC</b>	high voltage direct current link between the North and South Islands of New Zealand
<b>ICP</b>	New Zealand installation control points, excluding vacants
<b>ICP switching</b>	the number of installation control points changing retailer supplier in New Zealand, recorded in the month the switch was initiated
<b>MWh</b>	megawatt hour. Enough electricity for one average New Zealand household for 46 days
<b>National demand</b>	Transpower's Daily Demand reporting, adjusted for embedded generation from Meridian's Te Uku, White Hill and Mill Creek wind farms
<b>NZAS</b>	New Zealand Aluminium Smelters Limited
<b>Retail sales volumes</b>	contract sales volumes to retail customers, including both non half hourly and half hourly metered customers
<b>Sell side derivatives</b>	sell-side electricity derivatives excluding the sell-side of virtual asset swaps