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# Monthly Operating Report

**August 2019**

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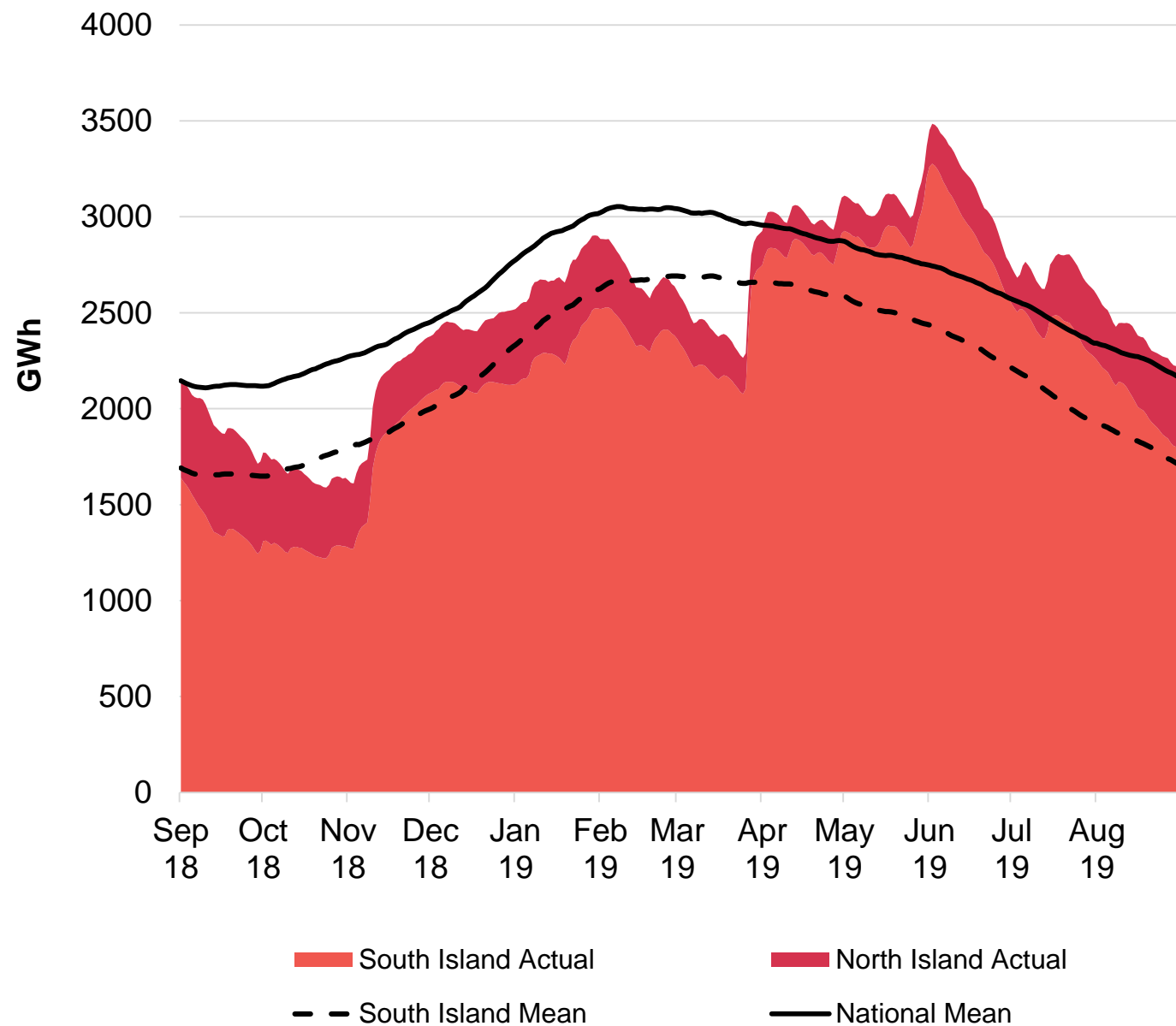
# August overview

## For the month of August 2019

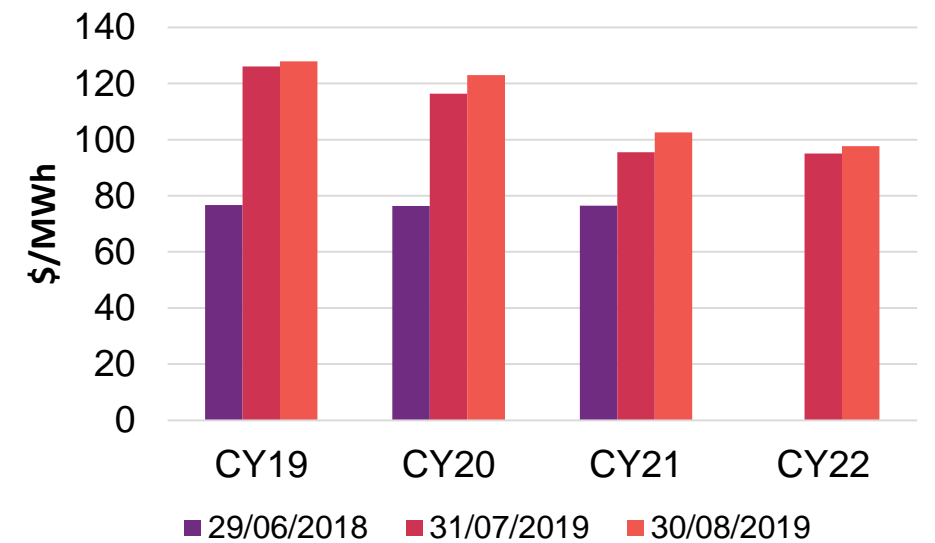
- » The Customer business recorded:
  - Mass market electricity and gas sales of 478 GWh (August 2018: 469 GWh)
  - Mass market electricity and gas netback of \$90.98/MWh (August 2018: \$92.82/MWh)
- » The Wholesale business recorded:
  - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 787 GWh (August 2018: 775 GWh)
  - Electricity and steam net revenue of \$85.94/MWh (August 2018: \$82.53/MWh)
  - Electricity generated (or acquired) of 855 GWh (August 2018: 831 GWh)
  - The unit generation cost, which includes acquired generation was \$44.48/MWh (August 2018: \$30.78/MWh)
    - Own generation cost in the month of \$38.88/MWh (August 2018: \$30.19/MWh)
- » Otahuhu futures settlement wholesale price for the 1<sup>st</sup> quarter of 2020 (ASX):
  - As at 9 September 2019: \$152/MWh
  - As at 30 August 2019: \$153/MWh
  - As at 31 July 2019: \$149/MWh
- » As at 9 September 2019, South Island controlled storage was 96% of mean (31 August 2019: 104%) and North Island controlled storage was 94% of mean (31 August 2019: 93%)
  - As at 9 September 2019, total Clutha scheme storage (including uncontrolled storage) was 24% of mean
  - Inflows into Contact's Clutha catchment for August 2019 were 74% of mean (July 2019: 145%, June 2019: 104%, May 2019: 160%)

# Hydro storage and forward prices

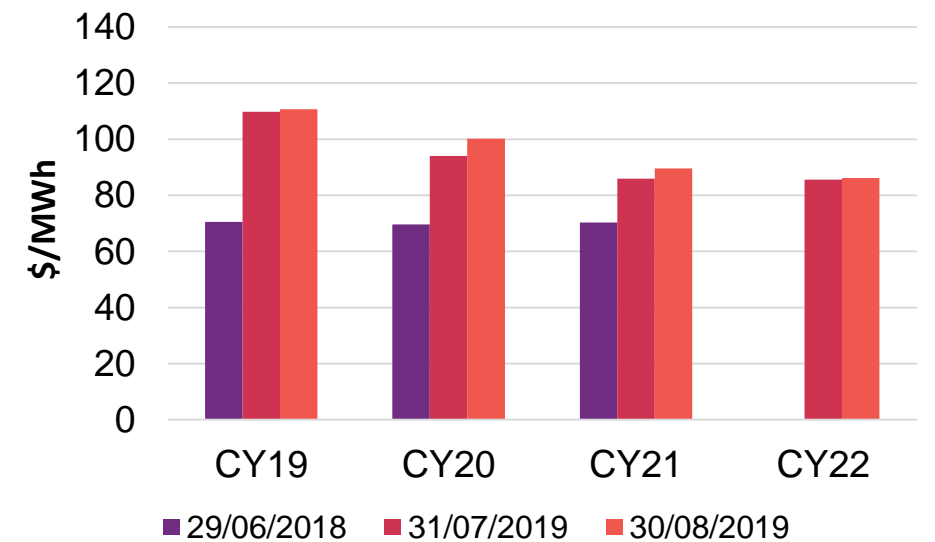
New Zealand controlled hydro storage against mean



Otahuhu ASX futures settlement

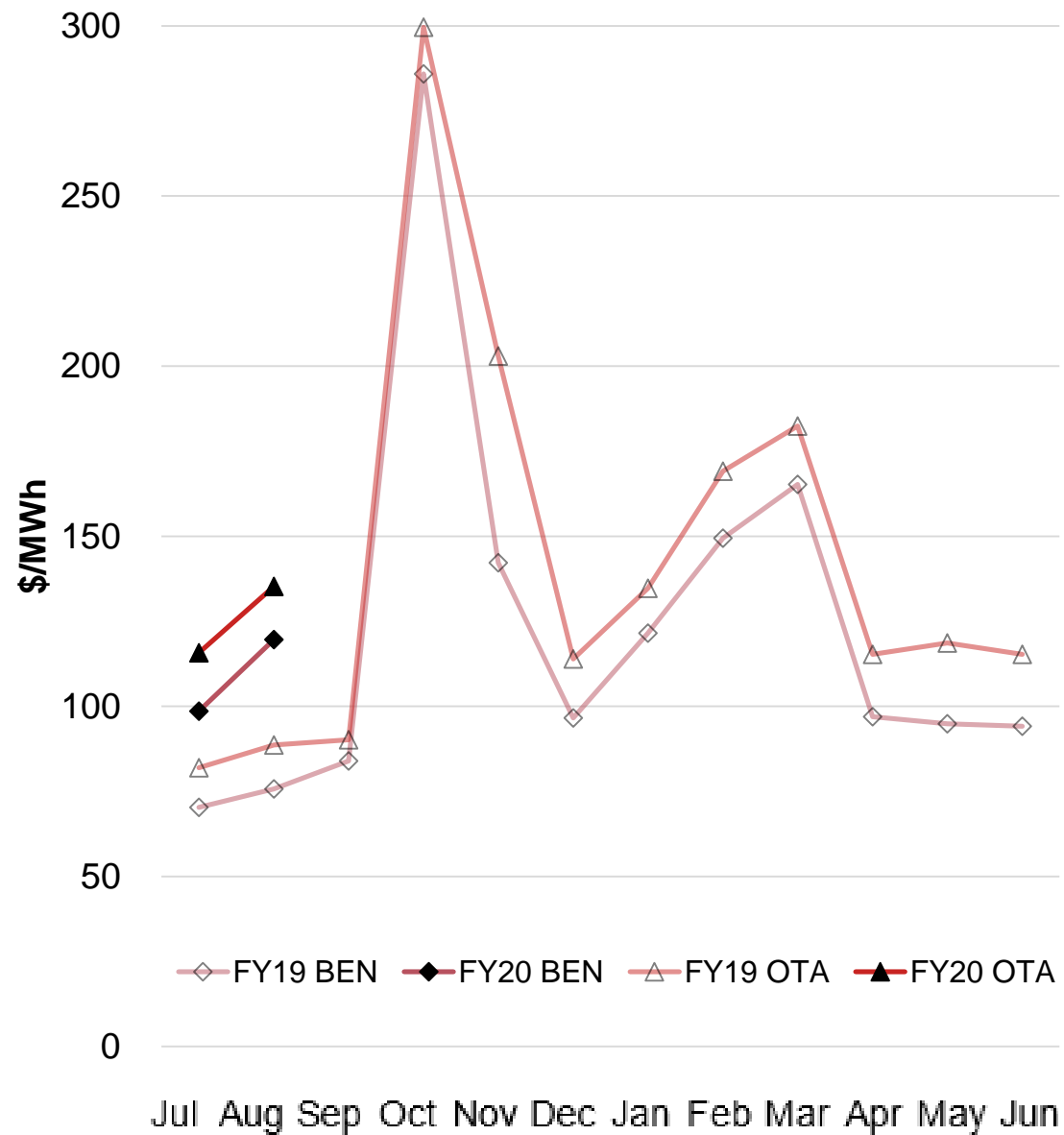


Benmore ASX futures settlement



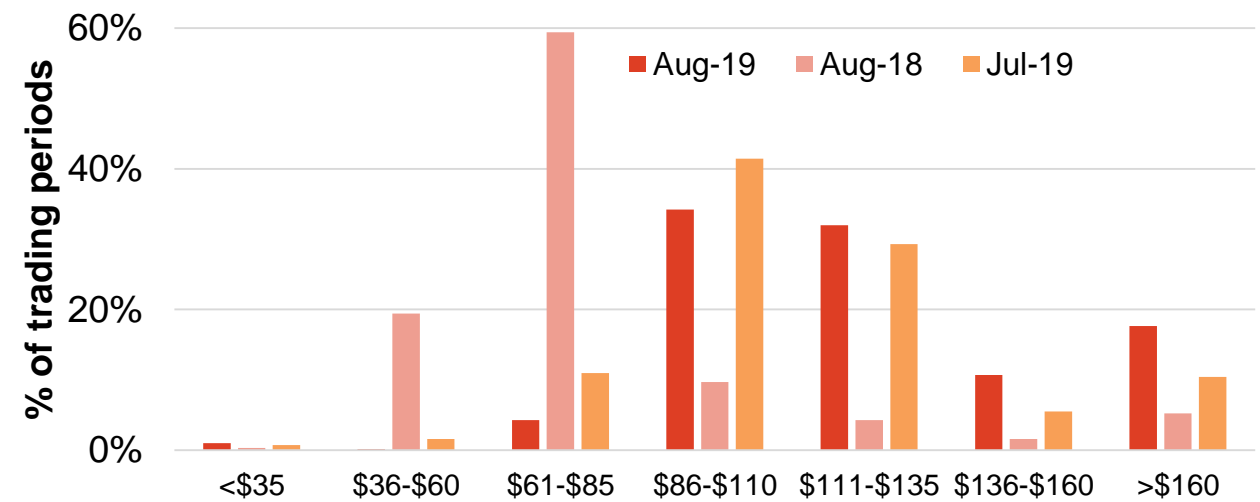
# Wholesale market

Wholesale electricity pricing

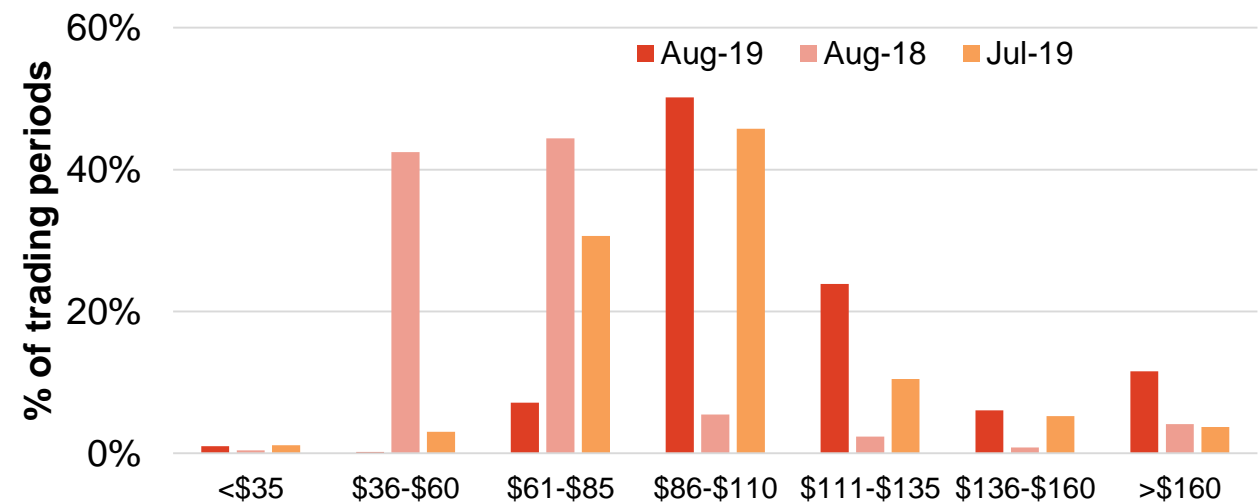


Distribution of wholesale market price by trading periods

## Otahuhu node



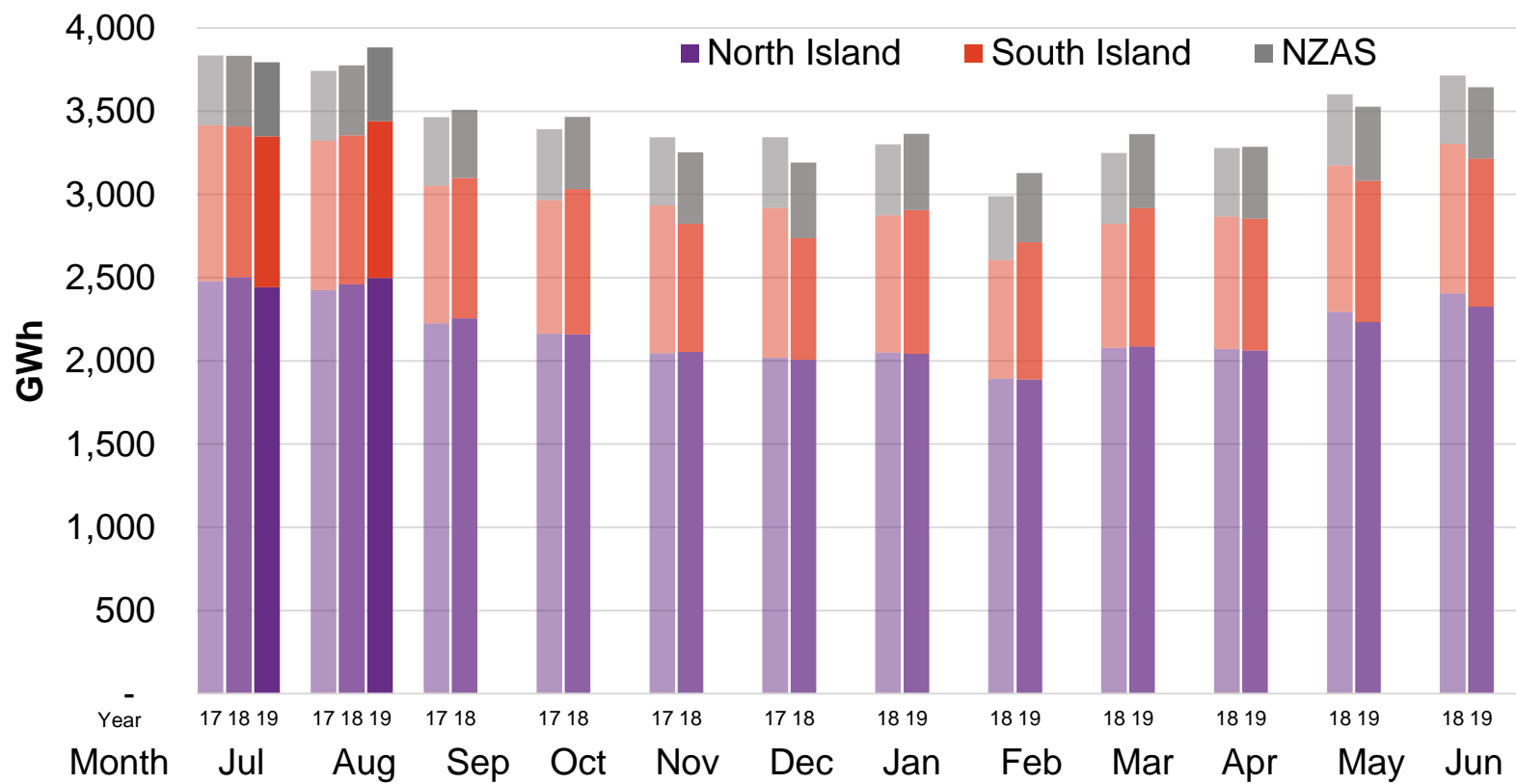
## Benmore node



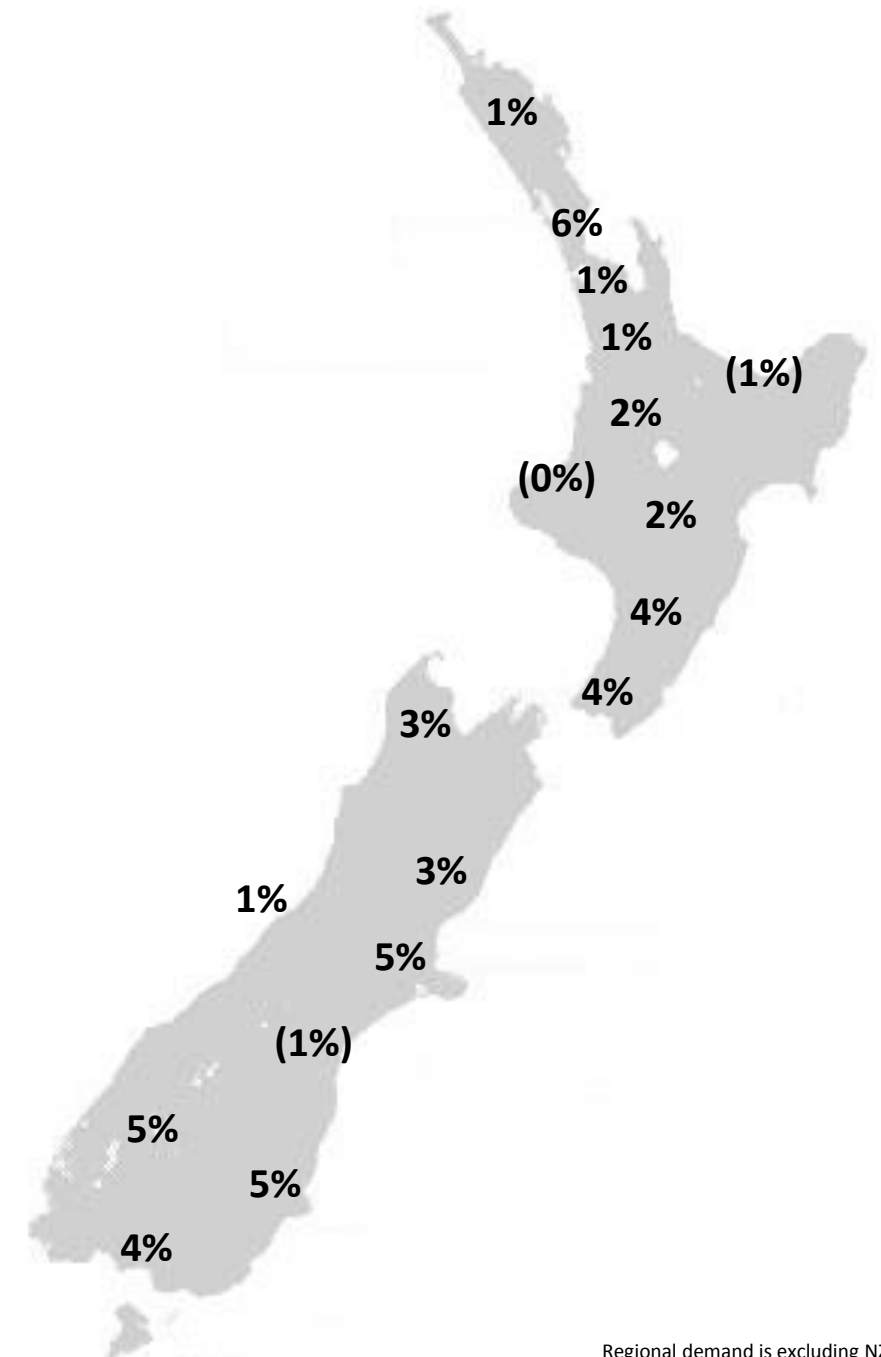
# Electricity demand

- » New Zealand electricity demand was up 2.4% on August 2018 (up 3.0% on August 2017):
  - Cumulative 12 months demand for September 2018 to August 2019 of 41,406 GWh is up by 0.3% on the prior comparative period.

Total national demand (FY18, 19 and 20)



Regional demand change (%) on August 2018

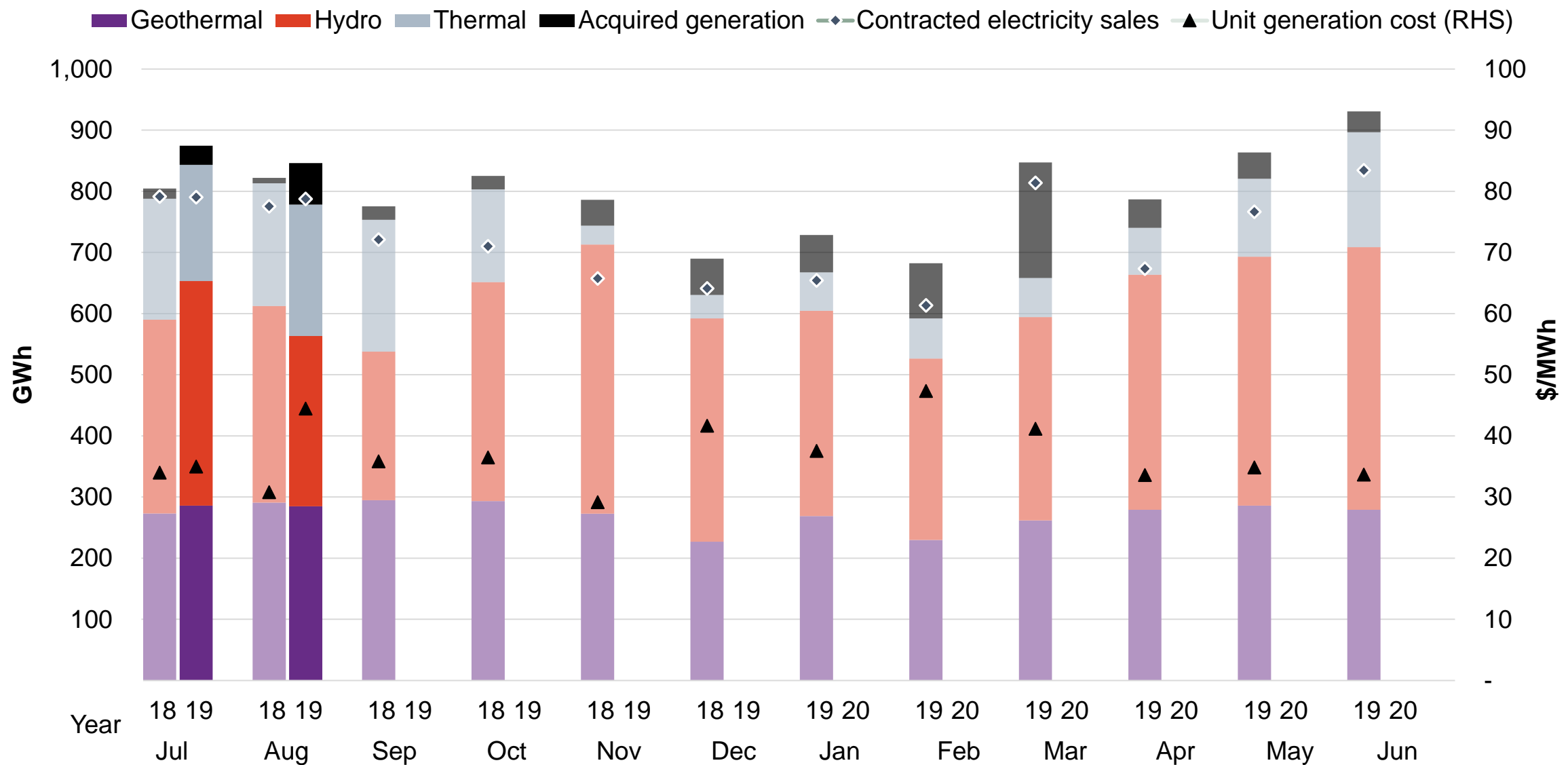


Source: Contact and Electricity Authority grid demand (reconciled) <http://www.emi.ea.govt.nz>

Regional demand is excluding NZAS

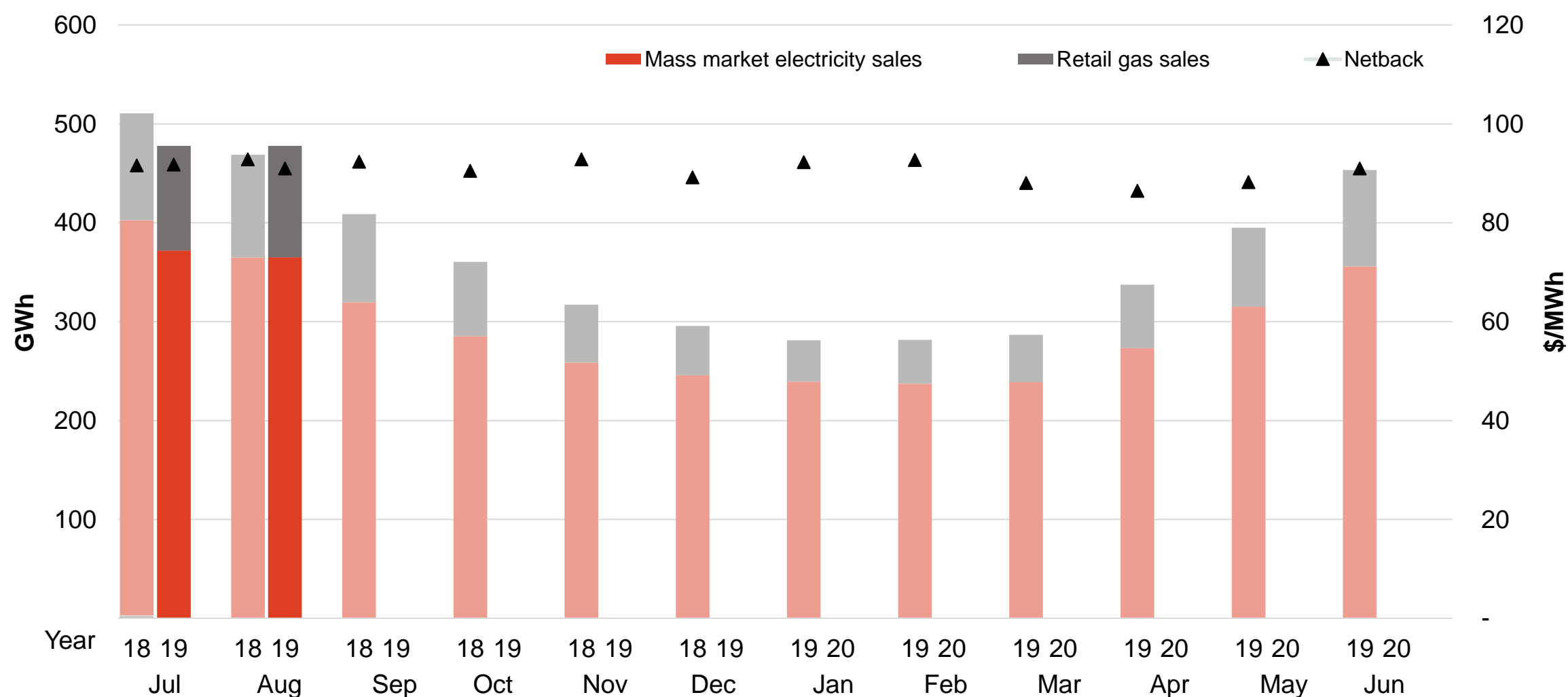
# Contact's Wholesale business performance

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



# Contact's Customer business performance

Retail sales volumes and netback (FY19 and 20)



# Contact's operational performance

	Measure	The month ended August 19	The month ended August 18	The month ended July 19	Two months ended August 19	Two months ended August 18	
Customer	Mass market electricity sales	GWh	365	365	372	737	765
	Retail gas sales	GWh	113	104	106	219	212
	Mass market electricity and gas sales	GWh	478	469	478	956	977
	Average electricity sales price	\$/MWh	238.22	238.14	237.24	237.72	236.96
	Electricity direct pass thru costs	\$/MWh	(113.04)	(111.49)	(112.39)	(112.71)	(112.21)
	Cost to serve	\$/MWh	(14.10)	(14.64)	(14.58)	(14.34)	(13.92)
	Customer netback	\$/MWh	90.98	92.82	91.75	91.37	92.18
	Energy cost	\$/MWh	(85.07)	(79.53)	(92.12)	(88.59)	(82.20)
	Actual electricity line losses	%	8%	7%	6%	7%	6%
	Retail gas sales	PJ	0.4	0.4	0.4	0.8	0.8
	Electricity ICPs	#	411,000	407,500	410,500		
	Gas ICPs	#	66,000	65,000	66,500		
	Wholesale	Electricity sales to Customer business	GWh	396	394	395	791
Electricity sales to Commercial and Industrial		GWh	207	269	197	404	523
Electricity CFD sales		GWh	185	113	198	383	227
Contracted electricity sales		GWh	787	775	790	1,578	1,567
Steam sales		GWh	63	63	22	85	93
Total electricity and steam net revenue		\$/MWh	85.94	82.53	91.80	88.80	86.27
C&I netback (at the ICP)		\$/MWh	94.97	89.81	97.09	96.19	93.05
C&I line losses		%	4%	4%	5%	4%	3%
Thermal generation		GWh	215	201	190	405	399
Geothermal generation		GWh	285	291	286	571	564
Hydro generation		GWh	278	322	367	646	639
Spot electricity sales		GWh	778	813	843	1,621	1,601
Electricity sales - Direct		GWh	9	9	3	12	13
Acquired generation		GWh	68	9	31	99	25
Electricity generated (or acquired)		GWh	855	831	878	1,733	1,639
Unit generation cost (including acquired generation)		\$/MWh	(44.48)	(30.78)	(35.00)	(39.68)	(32.36)
Spot electricity purchases		GWh	(594)	(654)	(590)	(1,183)	(1,327)
CFD sale settlements		GWh	(185)	(113)	(198)	(383)	(227)
Spot exposed purchases / CFD settlement		GWh	(779)	(767)	(787)	(1,566)	(1,554)
Spot revenue and settlement on acquired generation (GWAP)		\$/MWh	125.79	82.72	103.74	114.59	81.01
Spot purchases and settlement on CFDs sold (LWAP)		\$/MWh	(130.92)	(86.60)	(109.79)	(120.30)	(83.65)
LWAP/GWAP		%	104%	105%	106%	105%	103%
Gas used in internal generation		PJ	2.0	1.8	1.6	3.5	3.6
Gas storage net movement (extraction) / injection	PJ	0.0	(0.7)	0.3	0.3	(1.1)	







# Keep in touch

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## Investors

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## To find out more about Contact Energy

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