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# Monthly Operating Report

**July 2019**

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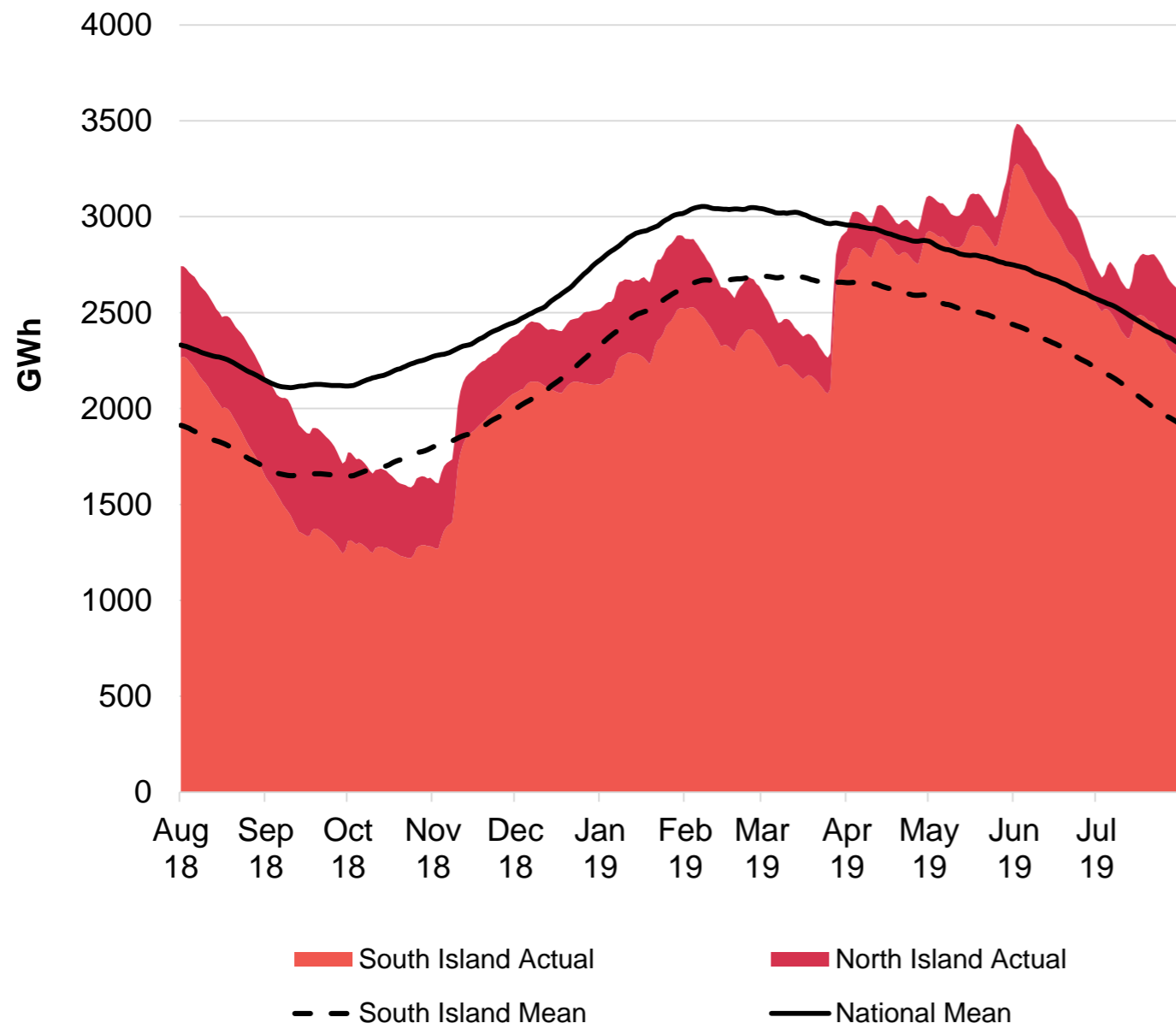
# July overview

## For the month of July 2019

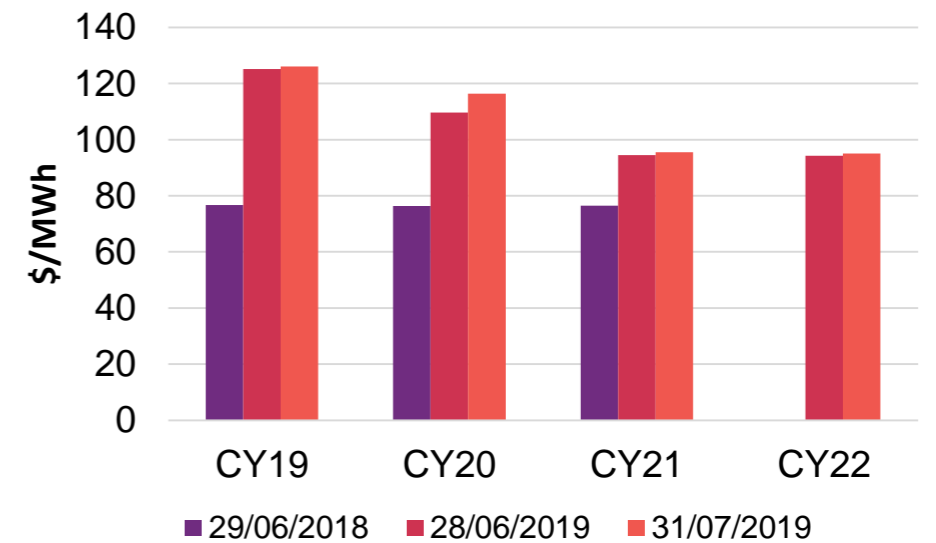
- » The Customer business recorded:
  - Mass market electricity and gas sales of 478 GWh (July 2018: 508 GWh)
  - Mass market electricity and gas netback of \$91.75/MWh (July 2018: \$91.59/MWh)
- » The Wholesale business recorded:
  - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 790 GWh (July 2018: 791 GWh)
  - Electricity and steam net revenue of \$91.80/MWh (July 2018: \$90.08/MWh)
  - Electricity generated (or acquired) of 878 GWh (July 2018: 808 GWh)
  - The unit generation cost, which includes acquired generation was \$35.00/MWh (July 2018: \$33.98/MWh)
    - Own generation cost in the month of \$32.35/MWh (July 2018: \$32.69/MWh)
- » Otahuhu futures settlement wholesale price for the 1<sup>st</sup> quarter of 2020 (ASX):
  - As at 18 August 2019: \$155/MWh
  - As at 31 July 2019: \$149/MWh
  - As at 28 June 2019: \$126/MWh
- » As at 18 August 2019, South Island controlled storage was 109% of mean (31 July 2019: 118%) and North Island controlled storage was 87% of mean (31 July 2019: 83%)
  - As at 18 August 2019, total Clutha scheme storage (including uncontrolled storage) was 36% of mean
  - Inflows into Contact's Clutha catchment for July 2019 were 145% of mean (June 2019: 104%, May 2019: 160%, April 2019: 124%)

# Hydro storage and forward prices

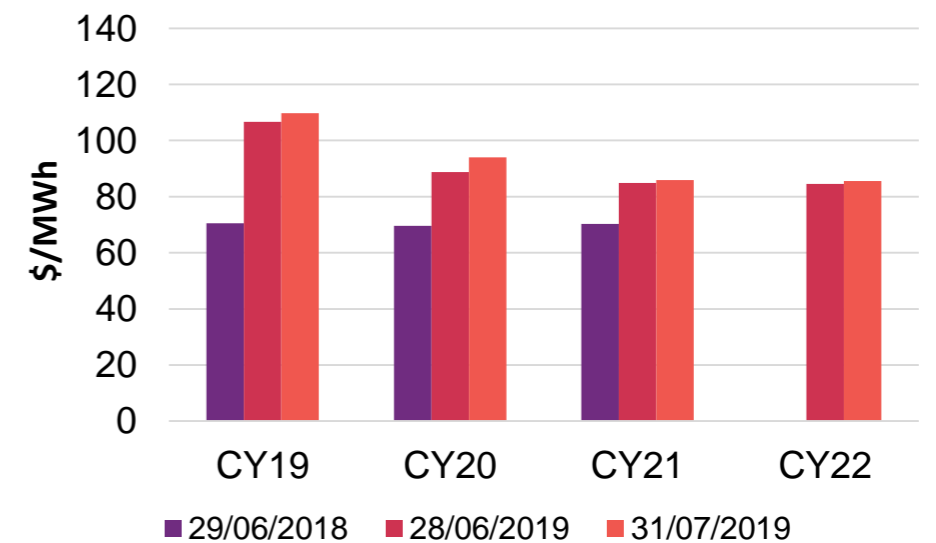
New Zealand controlled hydro storage against mean



Otahuhu ASX futures settlement

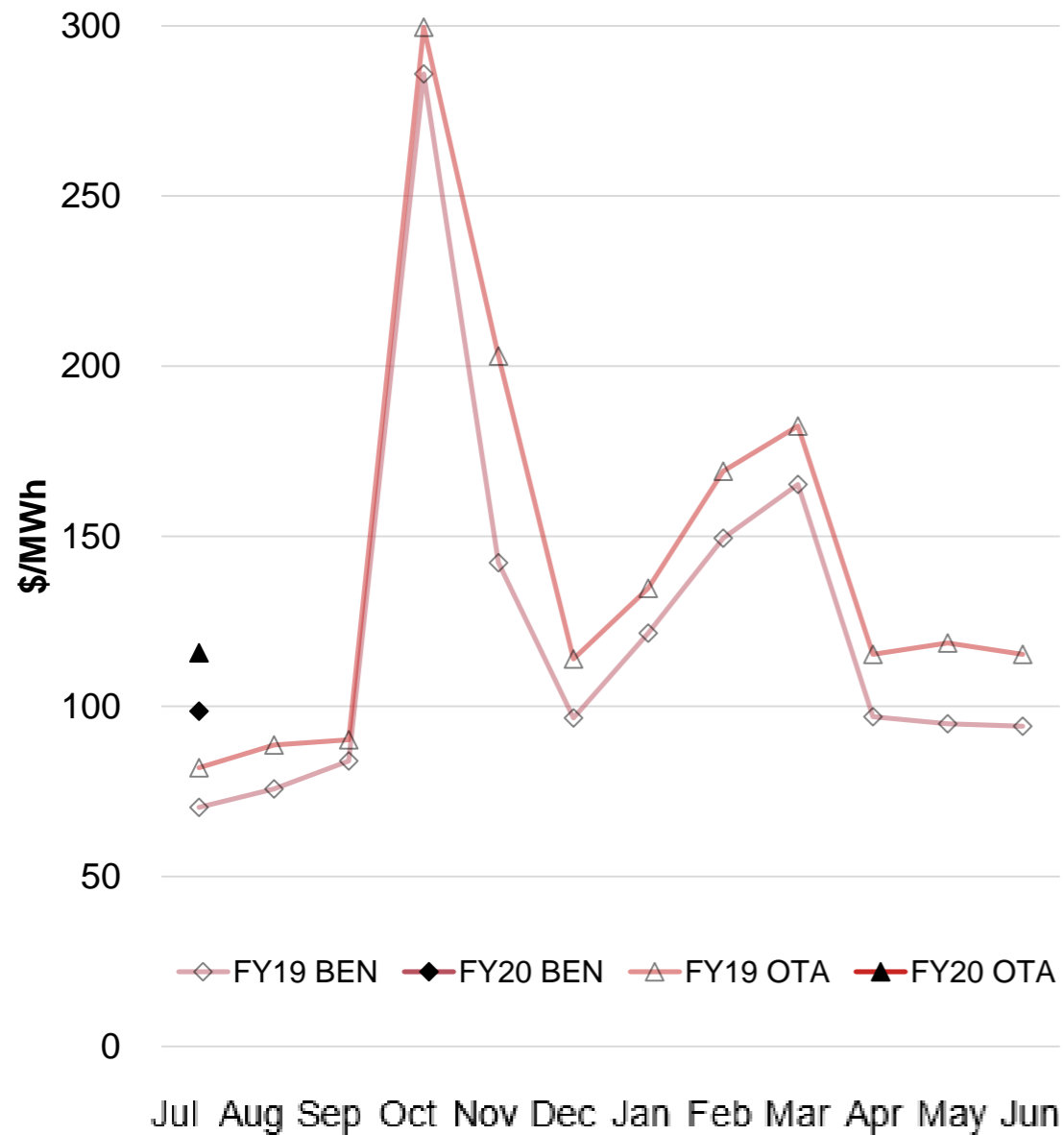


Benmore ASX futures settlement



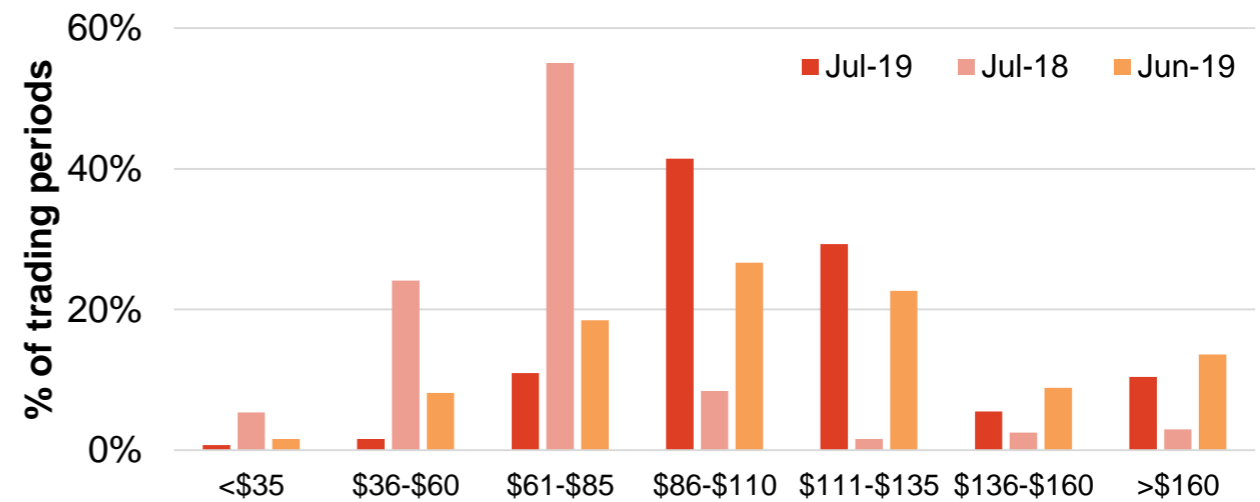
# Wholesale market

Wholesale electricity pricing

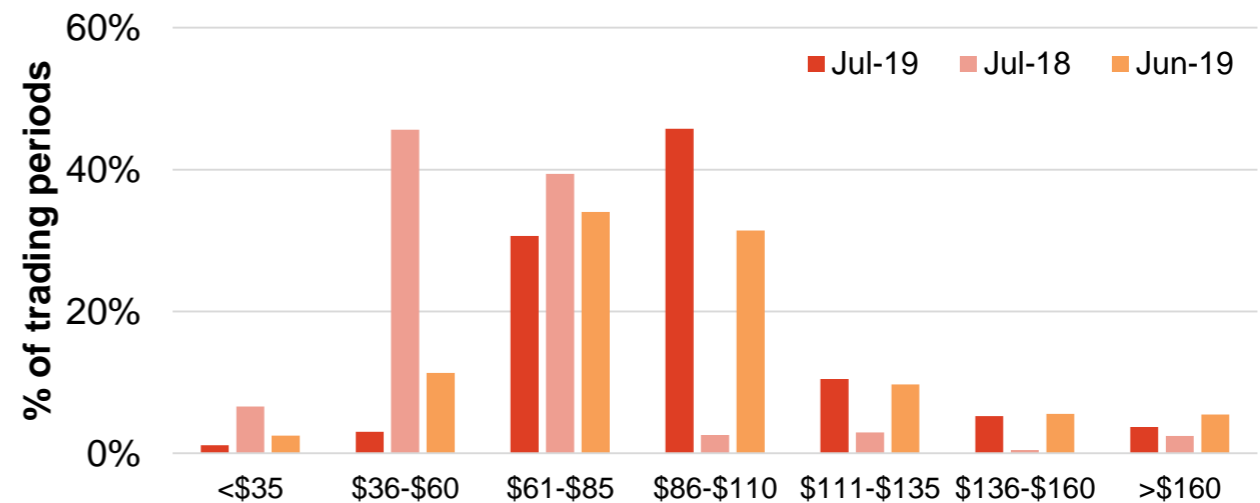


Distribution of wholesale market price by trading periods

## Otahuhu node



## Benmore node

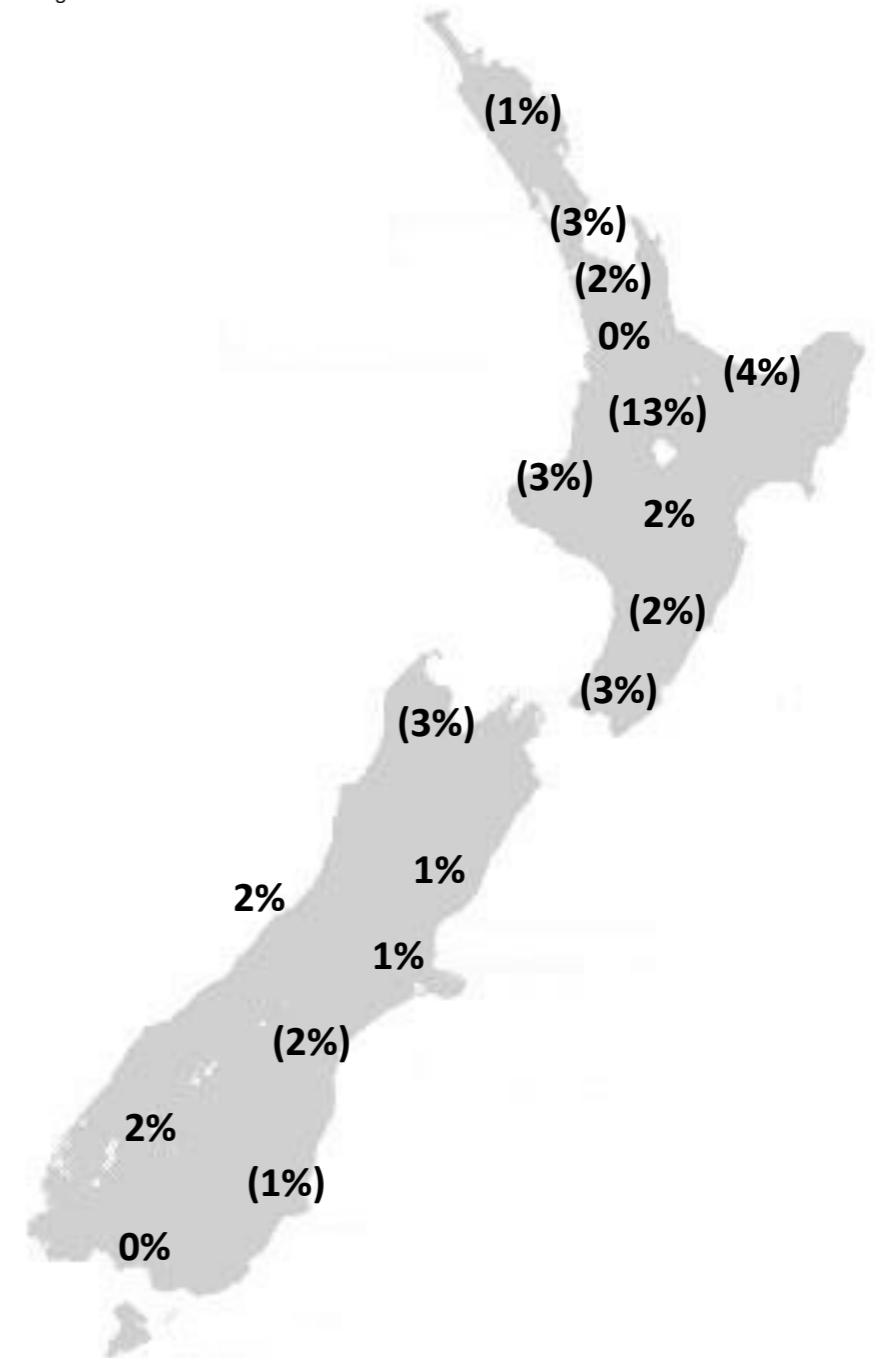


# Electricity demand

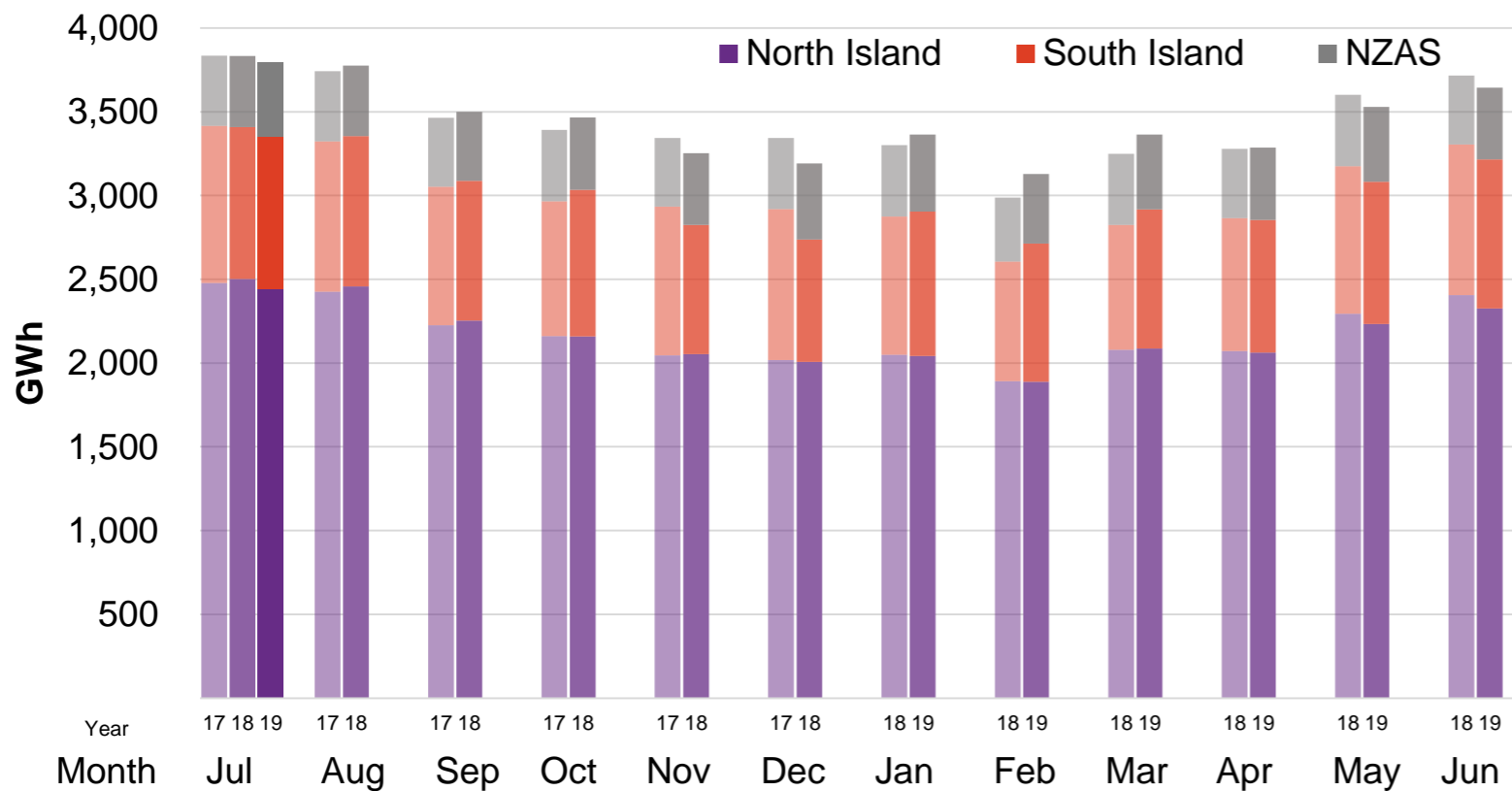
- » New Zealand electricity demand was down 1.1% on July 2018 (down 1.1% on July 2017):
  - Cumulative 12 months demand for August 2018 to July 2019 of 41,306 GWh is up by 0.1% on the prior comparative period.

## Regional demand change (%) on July 2018

Excluding NZAS



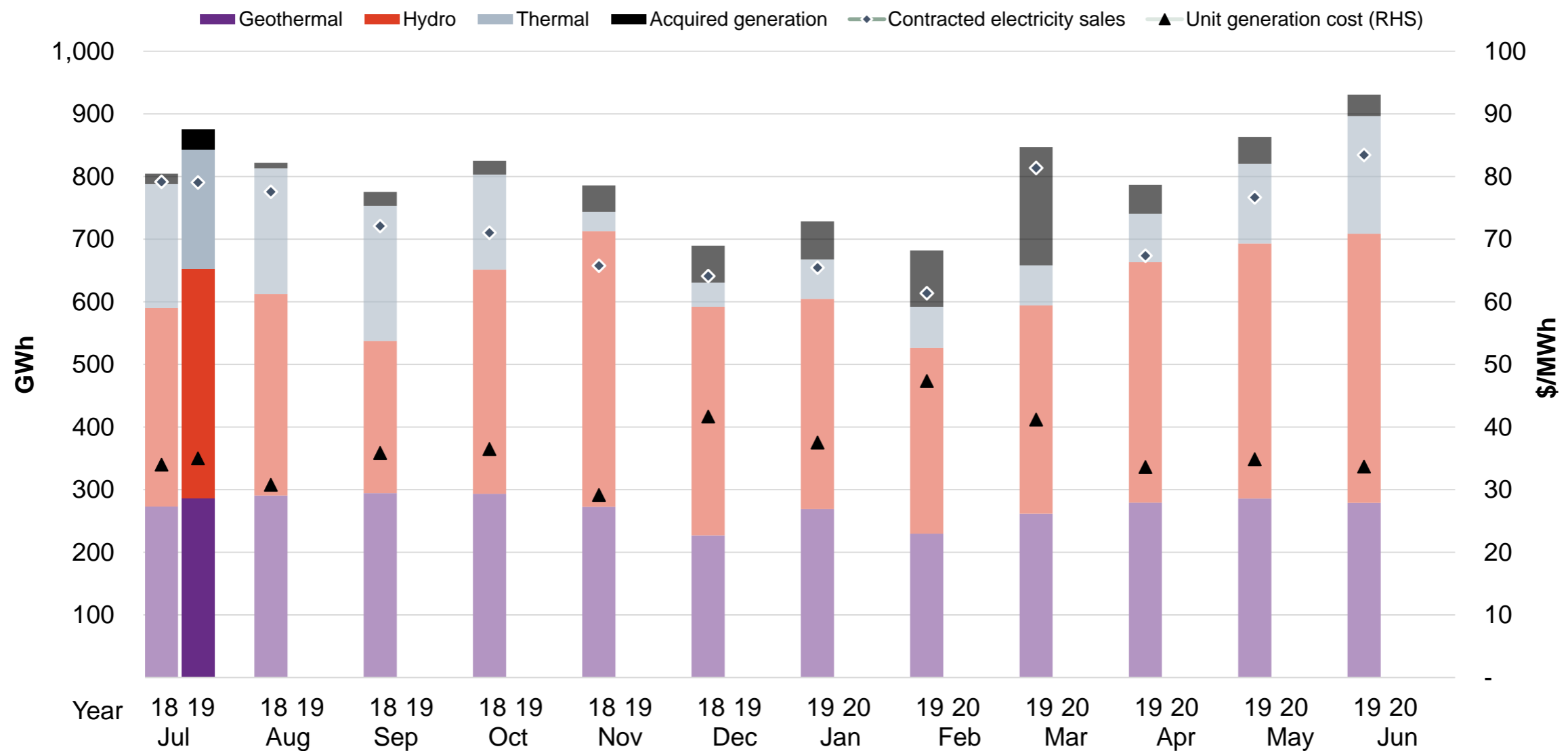
## Total national demand (FY18, 19 and 20)



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

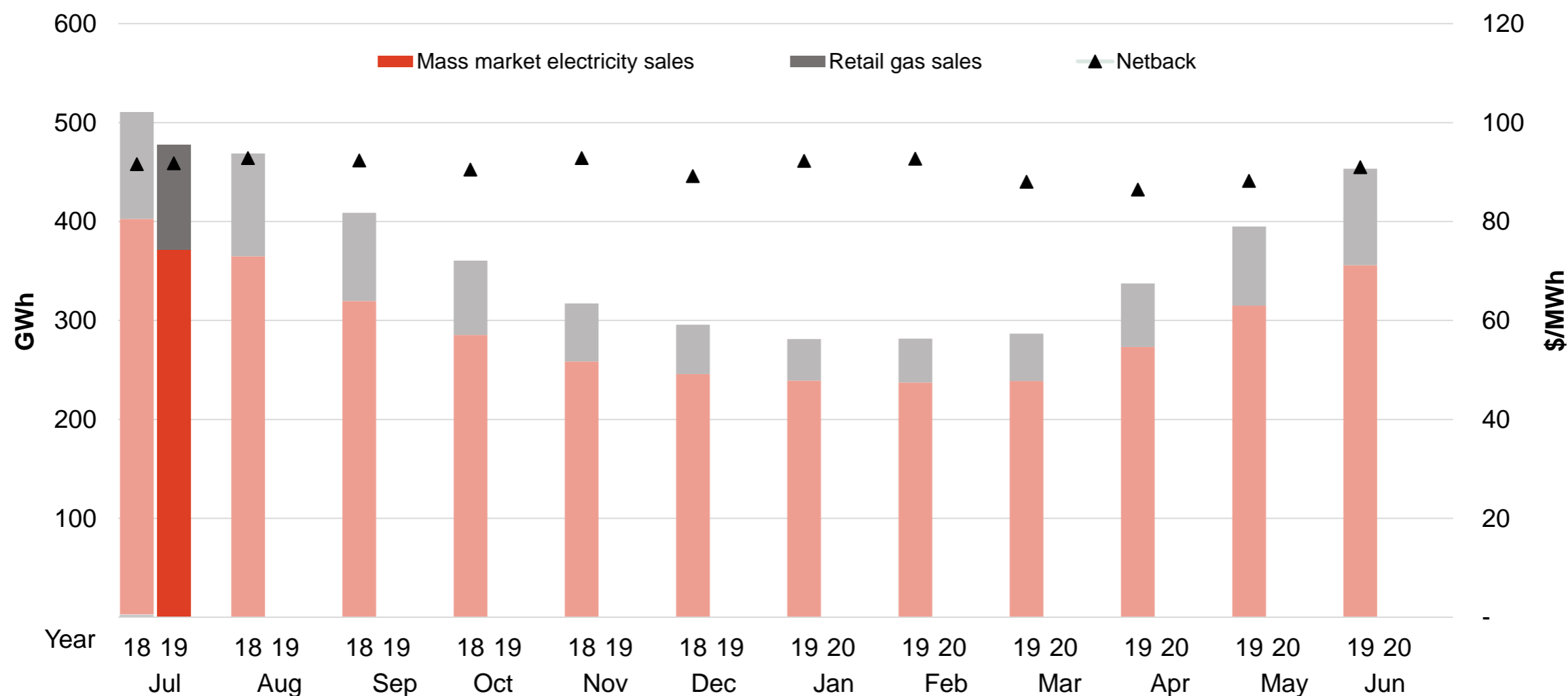
# Contact's Wholesale business performance

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 July 19	The month ended July 18	The month ended June 19	
Customer	Mass market electricity sales	GWh	372	400	356
	Retail gas sales	GWh	106	108	97
	Mass market electricity and gas sales	GWh	478	508	453
	Average electricity sales price	\$/MWh	237.24	235.88	237.44
	Electricity direct pass thru costs	\$/MWh	(112.39)	(112.86)	(106.83)
	Cost to serve	\$/MWh	(14.58)	(13.26)	(11.30)
	Customer netback	\$/MWh	91.75	91.59	90.98
	Energy cost	\$/MWh	(92.12)	(84.65)	(92.99)
	Actual electricity line losses	%	6%	5%	8%
	Retail gas sales	PJ	0.4	0.4	0.4
	Electricity ICPs	#	410,500	411,500	410,500
	Gas ICPs	#	66,500	65,000	66,500
	Wholesale	Electricity sales to Customer business	GWh	395	423
Electricity sales to Commercial and Industrial		GWh	197	254	207
Electricity CFD sales		GWh	198	115	241
Contracted electricity sales		GWh	790	791	834
Steam sales		GWh	22	30	10
Total electricity and steam net revenue		\$/MWh	91.80	90.08	94.83
C&I netback (at the ICP)		\$/MWh	97.09	96.37	86.54
C&I line losses		%	5%	3%	5%
Thermal generation		GWh	190	198	188
Geothermal generation		GWh	286	273	279
Hydro generation		GWh	367	317	430
Spot electricity sales		GWh	843	788	897
Electricity sales - Direct		GWh	3	4	1
Acquired generation		GWh	31	17	34
Electricity generated (or acquired)		GWh	878	808	932
Unit generation cost (including acquired generation)		\$/MWh	(35.00)	(33.98)	(33.68)
Spot electricity purchases		GWh	(590)	(673)	(593)
CFD sale settlements		GWh	(198)	(115)	(241)
Spot exposed purchases / CFD settlement		GWh	(787)	(788)	(833)
Spot revenue and settlement on acquired generation (GWAP)		\$/MWh	103.74	79.26	101.07
Spot purchases and settlement on CFDs sold (LWAP)		\$/MWh	(109.79)	(80.78)	(103.40)
LWAP/GWAP		%	106%	102%	102%
Gas used in internal generation		PJ	1.6	1.8	1.4
Gas storage net movement (extraction) / injection	PJ	0.3	(0.3)	(0.1)	







# Keep in touch

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## Investors

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