



Monthly Operating Report

October 2019

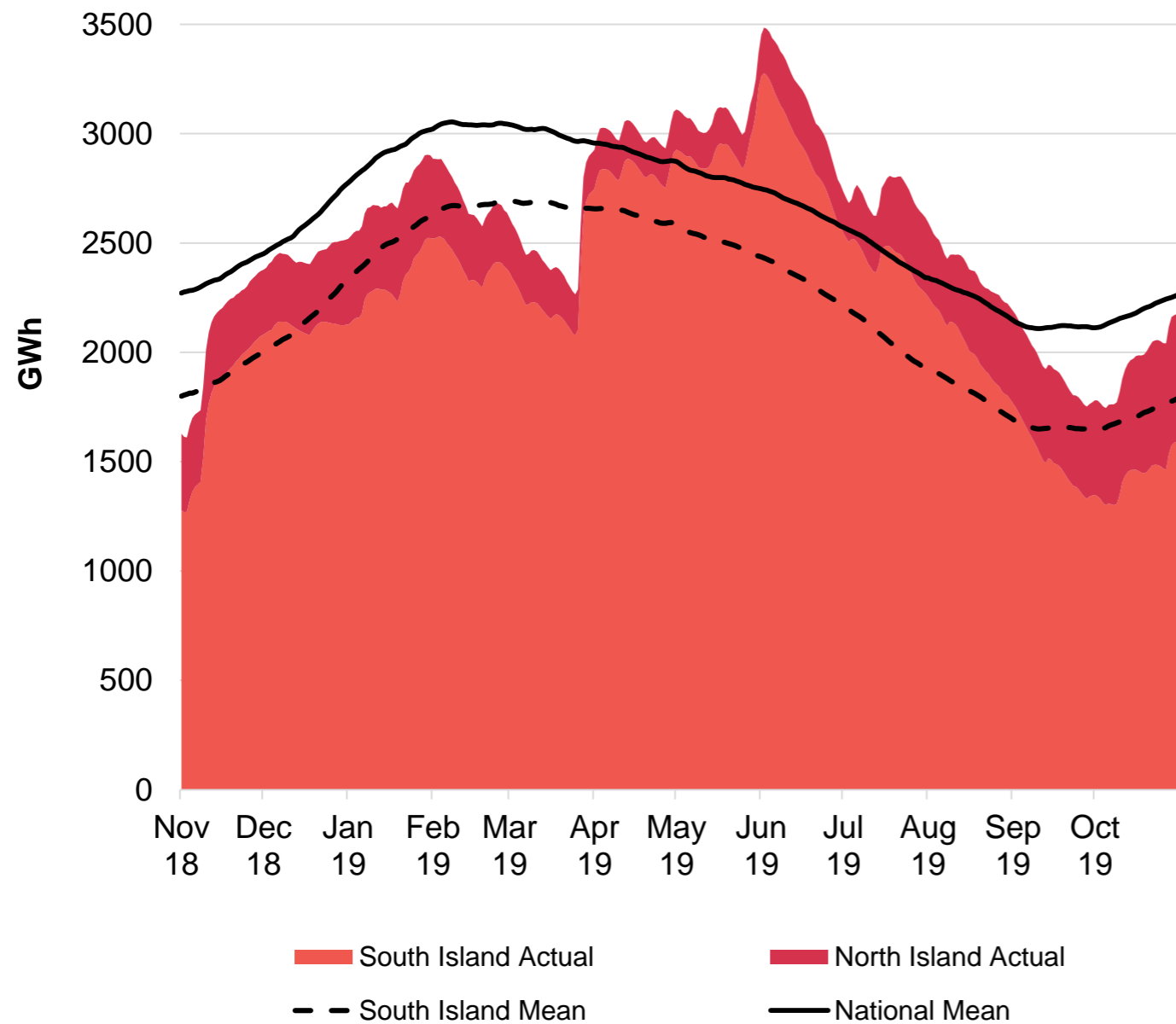
October overview

For the month of October 2019

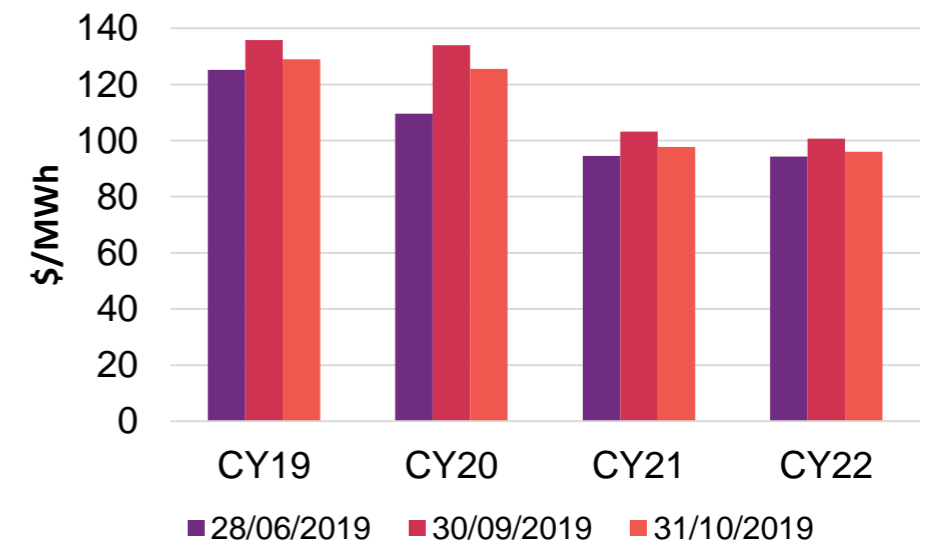
- » The Customer business recorded:
 - Mass market electricity and gas sales of 379 GWh (October 2018: 360 GWh)
 - Mass market electricity and gas netback of \$87.32/MWh (October 2018: \$90.48/MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 644 GWh (October 2018: 710 GWh)
 - Electricity and steam net revenue of \$73.02/MWh (October 2018: \$77.91/MWh)
 - Electricity generated (or acquired) of 703 GWh (October 2018: 835 GWh)
 - The unit generation cost, which includes acquired generation was \$38.05/MWh (October 2018: \$36.47/MWh)
 - Own generation cost in the month of \$34.77/MWh (October 2018: \$33.30/MWh)
- » Otahuhu futures settlement wholesale price for the 1st quarter of 2020 (ASX):
 - As at 8 November 2019: \$146/MWh
 - As at 31 October 2019: \$142/MWh
 - As at 30 September 2019: \$158/MWh
- » As at 11 November 2019, South Island controlled storage was 105% of mean (31 October 2019: 89%) and North Island controlled storage was 122% of mean (31 October 2019: 123%)
 - As at 11 October 2019, total Clutha scheme storage (including uncontrolled storage) was 80% of mean
 - Inflows into Contact's Clutha catchment for October 2019 were 92% of mean (September 2019: 52%, August 2019: 74%, July 2019: 145%)

Hydro storage and forward prices

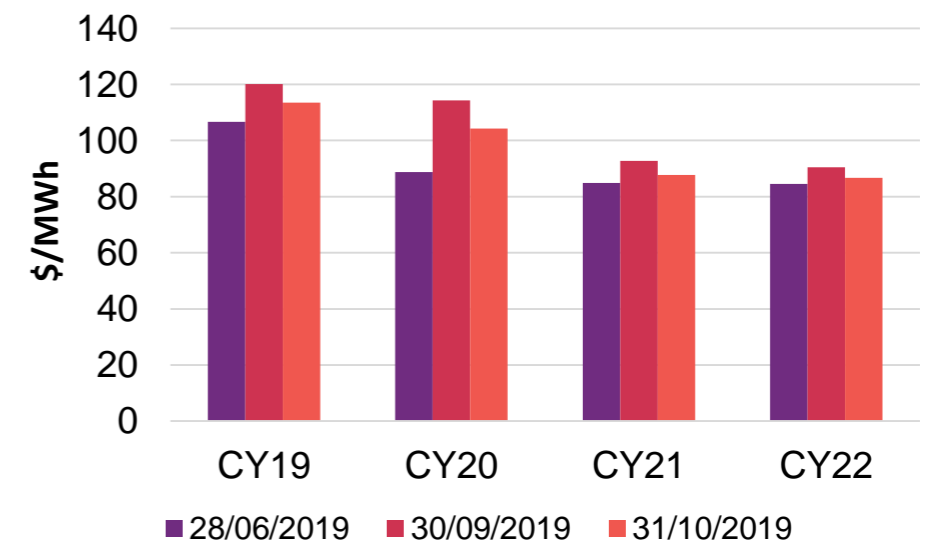
New Zealand controlled hydro storage against mean



Otago ASX futures settlement

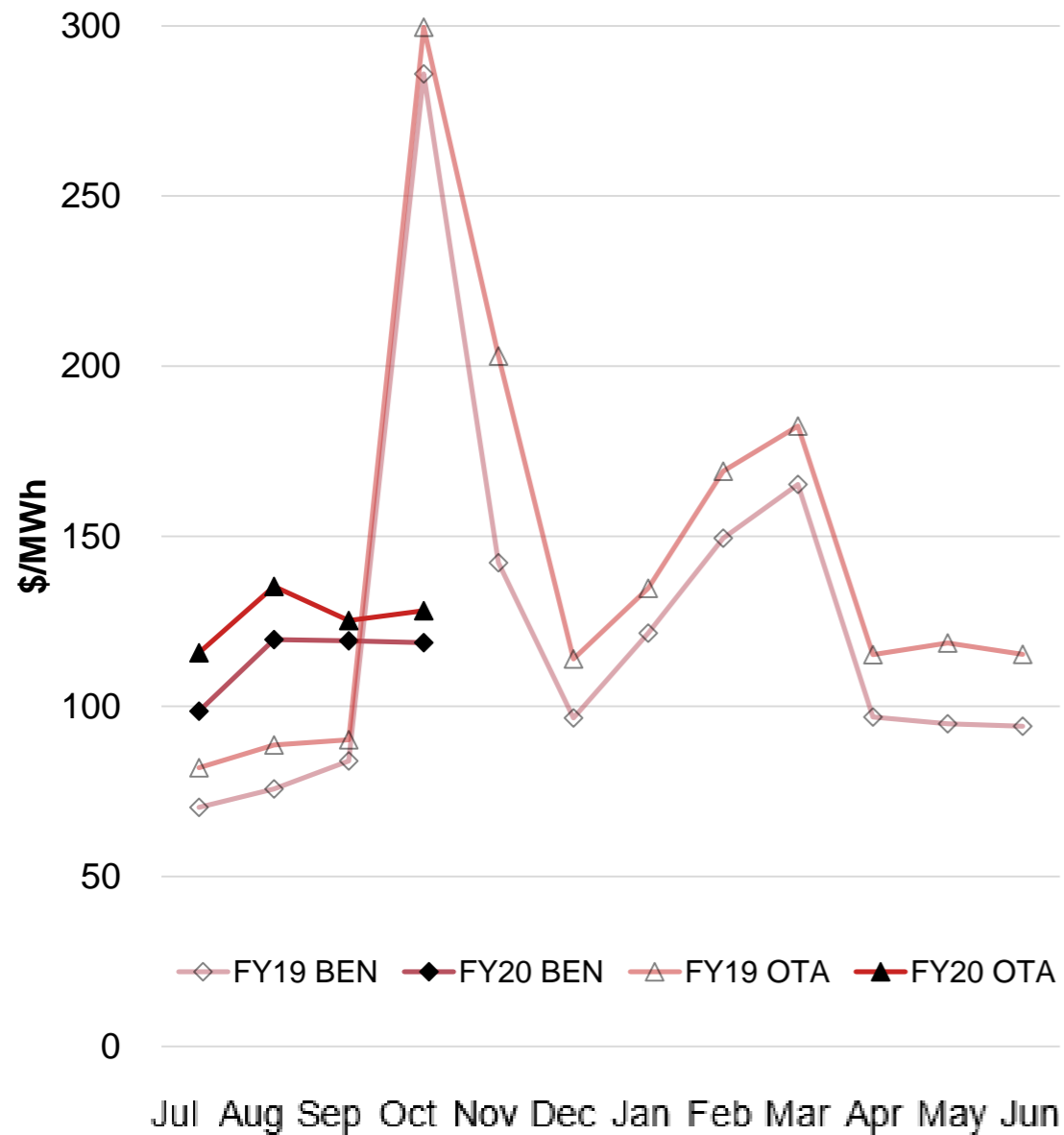


Benmore ASX futures settlement



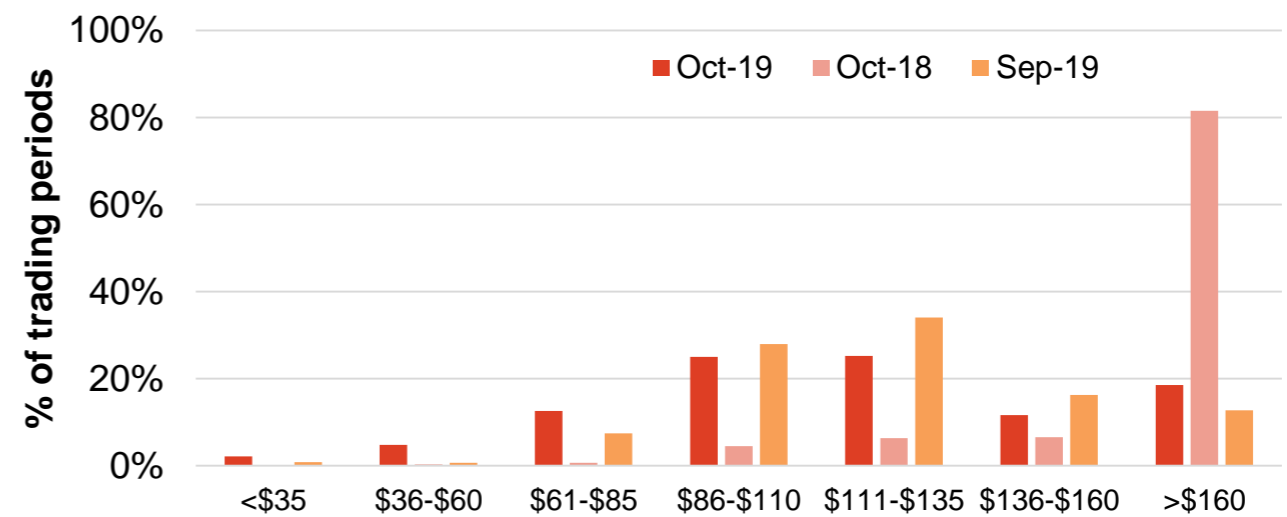
Wholesale market

Wholesale electricity pricing

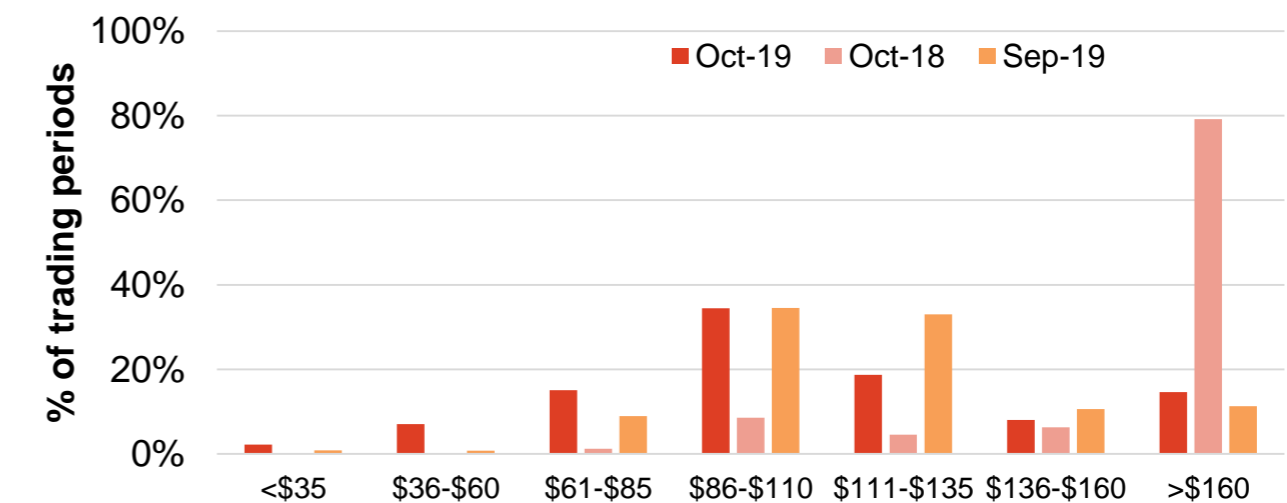


Distribution of wholesale market price by trading periods

Otahuhu node



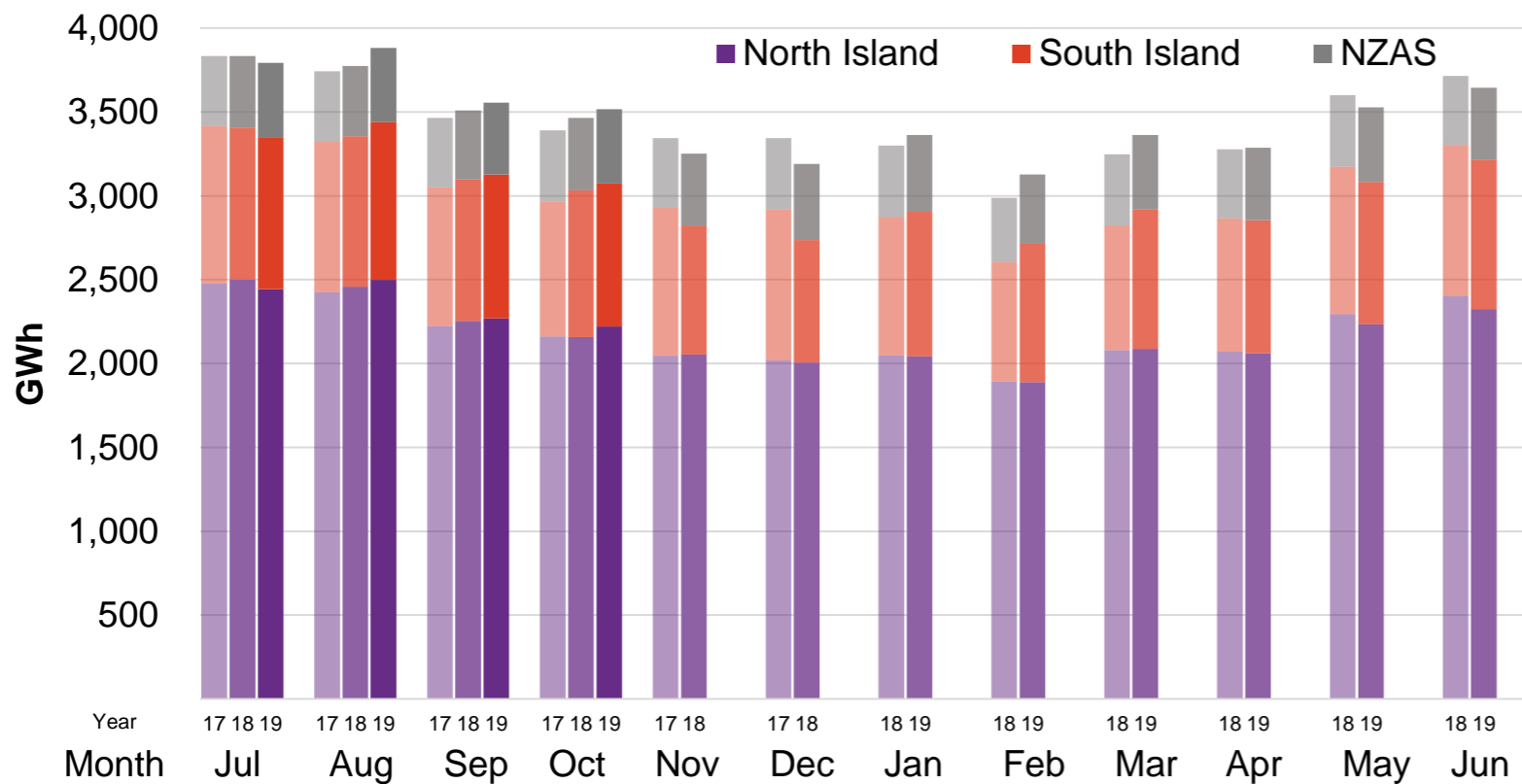
Benmore node



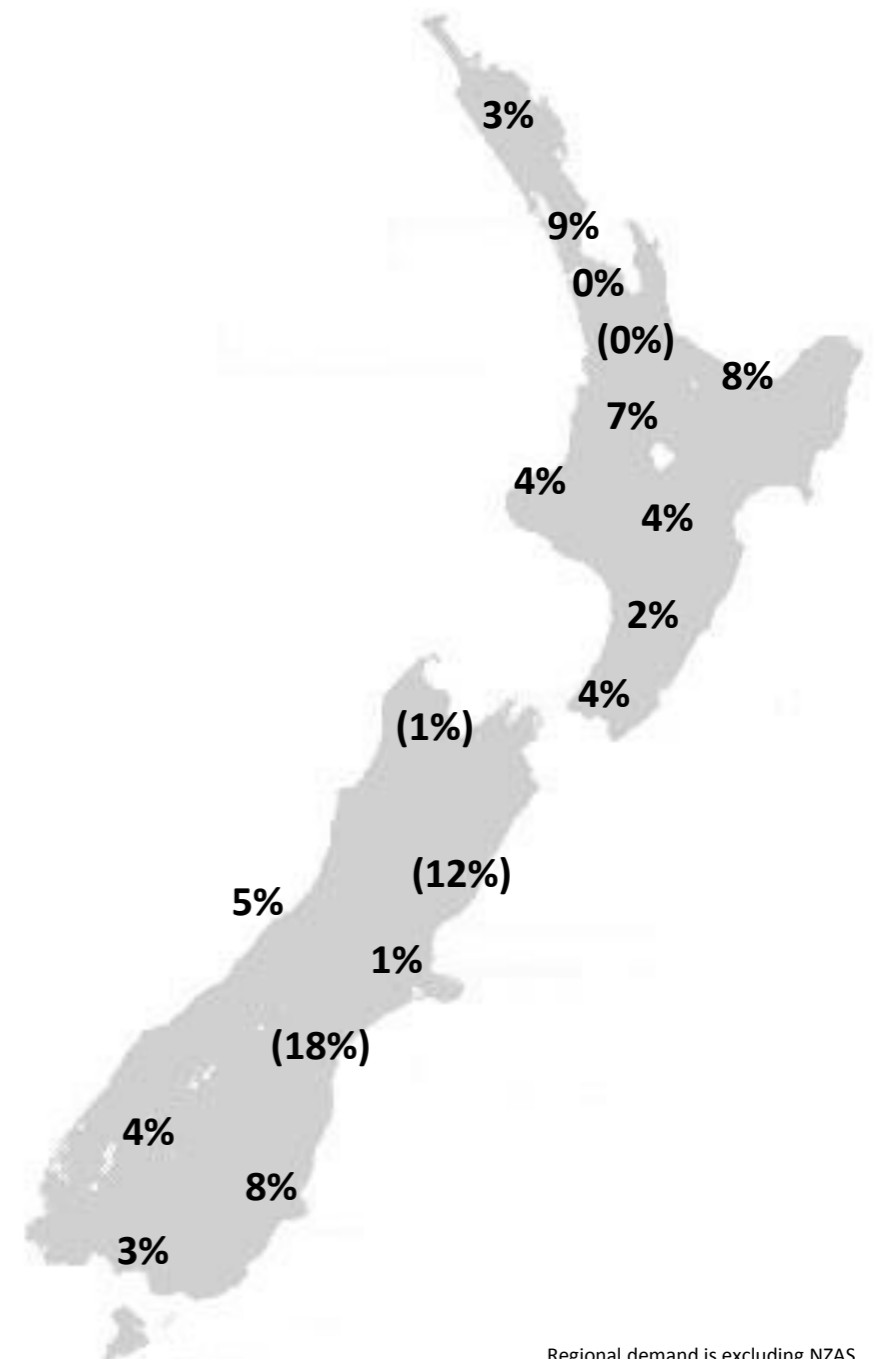
Electricity demand

- » New Zealand electricity demand was up 1.5% on October 2018 (up 3.7% on October 2017):
 - Cumulative 12 months demand for November 2018 to October 2019 of 41,503 GWh is up by 0.2% on the prior comparative period.

Total national demand (FY18, 19 and 20)



Regional demand change (%) on October 2018

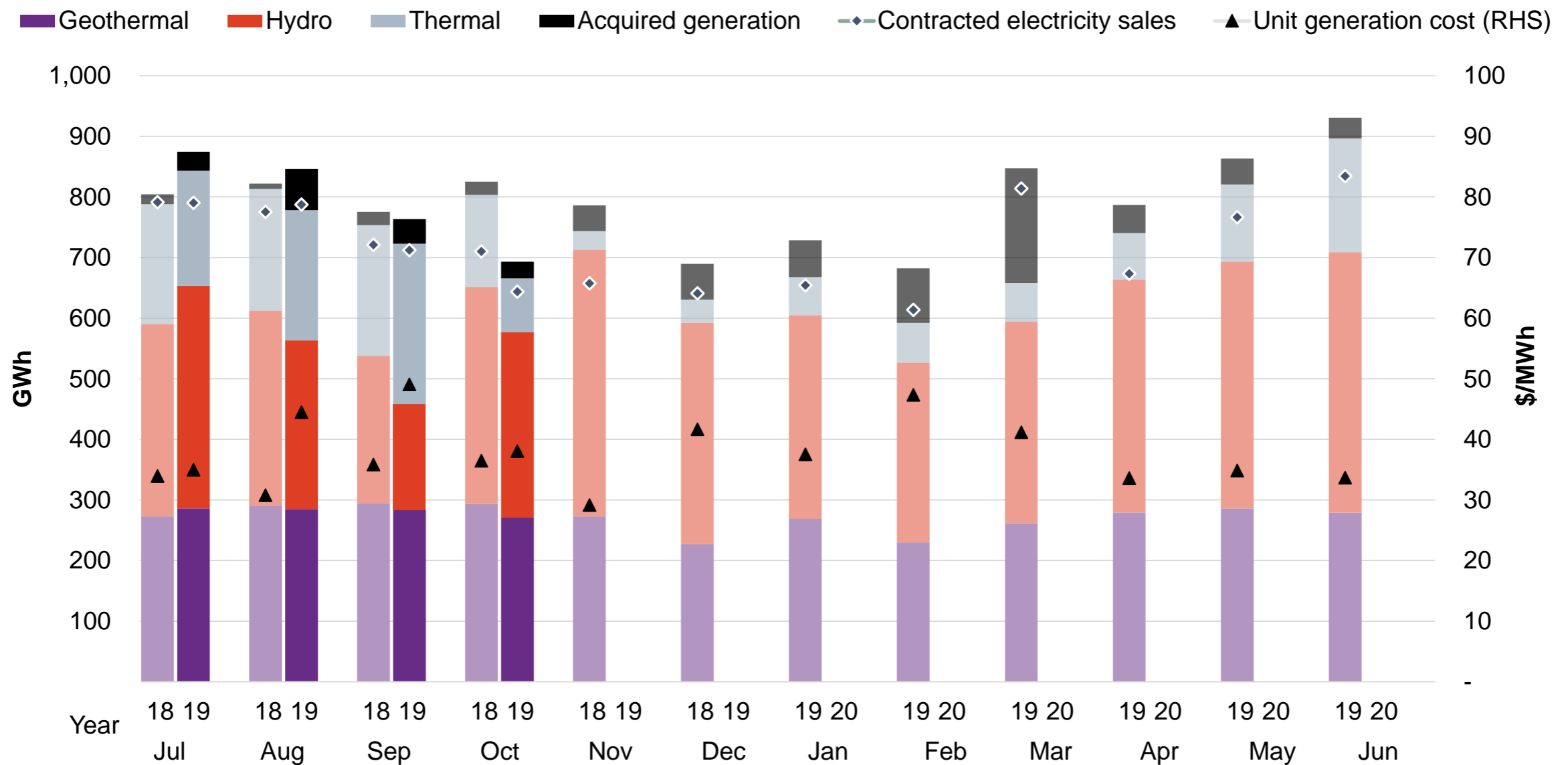


Regional demand is excluding NZAS

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

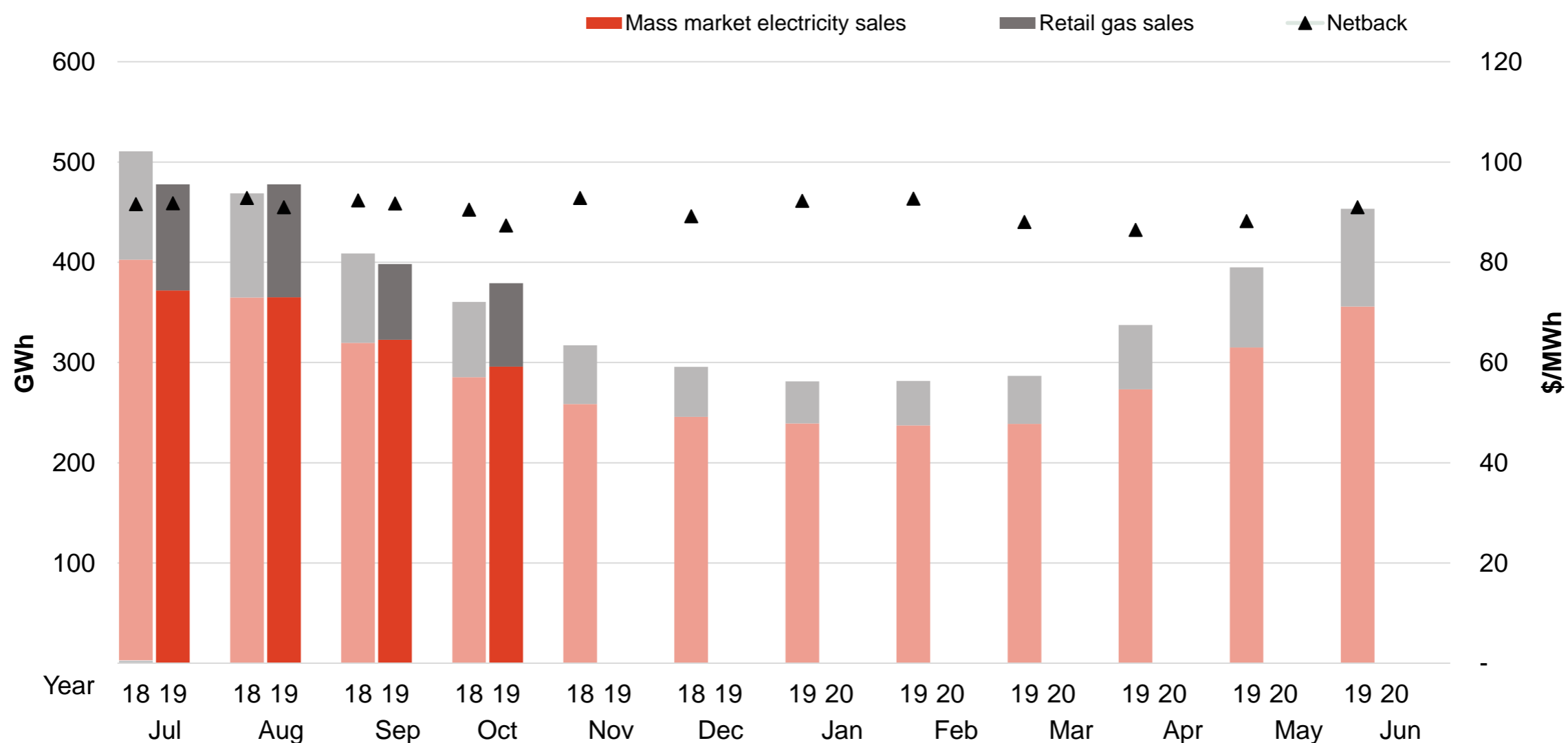
Contact's Wholesale business performance

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 October 19	The month ended October 18	The month ended September 19	Four months ended October 19	Four months ended October 18	
Customer	Mass market electricity sales	GWh	296	285	323	1,356	1,369
	Retail gas sales	GWh	83	75	76	378	376
	Mass market electricity and gas sales	GWh	379	360	398	1,733	1,746
	Average electricity sales price	\$/MWh	241.12	246.06	241.10	239.27	239.95
	Electricity direct pass thru costs	\$/MWh	(117.07)	(118.61)	(116.41)	(114.54)	(114.35)
	Cost to serve	\$/MWh	(19.04)	(19.27)	(18.07)	(16.23)	(15.31)
	Customer netback	\$/MWh	87.32	90.48	91.74	90.57	91.87
	Energy cost	\$/MWh	(70.15)	(65.64)	(77.64)	(82.04)	(75.71)
	Actual electricity line losses	%	5%	7%	7%	7%	7%
	Retail gas sales	PJ	0.3	0.3	0.3	1.4	1.3
	Electricity ICPs	#	410,500	406,500	411,000		
	Gas ICPs	#	66,000	65,500	66,000		
	Wholesale	Electricity sales to Customer business	GWh	311	306	348	1,450
Electricity sales to Commercial and Industrial		GWh	204	261	199	807	1,051
Electricity CFD sales		GWh	128	143	165	677	477
Contracted electricity sales		GWh	644	710	712	2,934	2,998
Steam sales		GWh	61	69	66	213	229
Total electricity and steam net revenue		\$/MWh	73.02	77.91	74.60	81.75	80.85
C&I netback (at the ICP)		\$/MWh	84.12	86.06	79.25	86.98	88.12
C&I line losses		%	5%	2%	5%	2%	4%
Thermal generation		GWh	89	152	265	758	766
Geothermal generation		GWh	271	293	283	1,125	1,152
Hydro generation		GWh	306	358	175	1,127	1,240
Spot electricity sales		GWh	666	803	723	3,010	3,158
Electricity sales - Direct		GWh	10	10	9	31	32
Acquired generation		GWh	28	22	40	168	69
Electricity generated (or acquired)		GWh	703	835	773	3,208	3,259
Unit generation cost (including acquired generation)		\$/MWh	(38.05)	(36.47)	(49.07)	(41.59)	(34.25)
Spot electricity purchases		GWh	(506)	(557)	(537)	(2,226)	(2,488)
CFD sale settlements		GWh	(128)	(143)	(165)	(677)	(477)
Spot exposed purchases / CFD settlement		GWh	(634)	(700)	(703)	(2,903)	(2,966)
Spot revenue and settlement on acquired generation (GWAP)		\$/MWh	124.22	283.35	120.30	118.06	134.08
Spot purchases and settlement on CFDs sold (LWAP)		\$/MWh	(129.81)	(297.64)	(126.48)	(123.87)	(135.64)
LWAP/GWAP		%	105%	105%	105%	105%	101%
Gas used in internal generation		PJ	1.0	1.5	2.3	6.9	7.0
Gas storage net movement (extraction) / injection	PJ	0.0	(0.5)	(0.5)	(0.1)	(2.6)	

Keep in touch

Investors

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