



Monthly Operating Report

May 2019

May overview

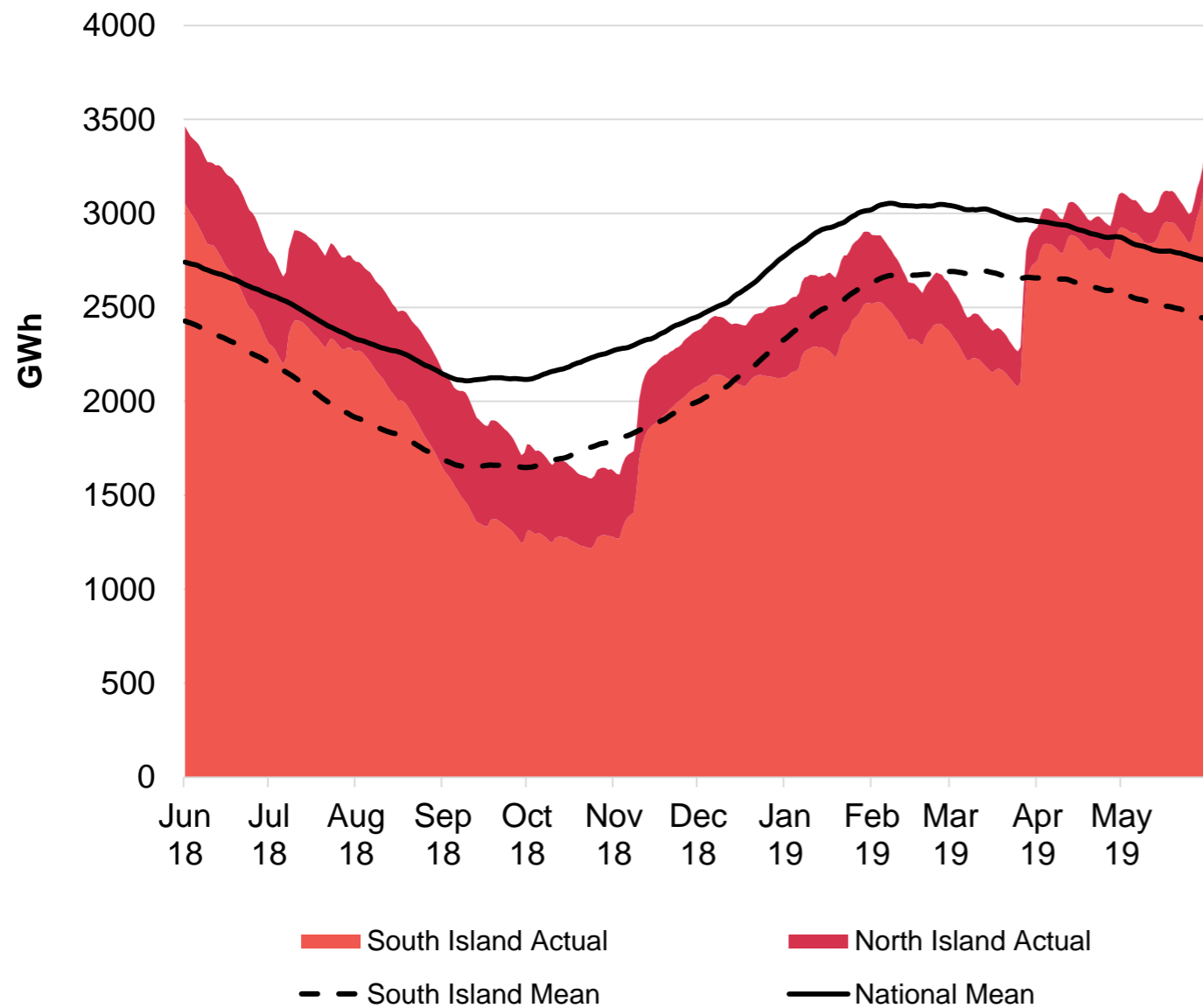
For the month of May 2019

- » The Customer business recorded:
 - Mass market electricity and gas sales of 395 GWh (May 2018: 400 GWh)
 - Mass market electricity and gas netback of \$88.21/MWh (May 2018: \$94.03/MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 767 GWh (May 2018: 761 GWh)
 - Electricity and steam net revenue of \$88.26/MWh (May 2018: \$82.97/MWh)
 - Electricity generated (or acquired) of 867 GWh (May 2018: 821 GWh)
 - The unit generation cost, which includes acquired generation was \$34.85/MWh (May 2018: \$25.61/MWh)
 - Own generation cost in the month of \$31.23/MWh (May 2018: \$25.43/MWh)
- » Otahuhu futures settlement wholesale price for the 4th quarter of 2019 (ASX):
 - As at 14 June 2019: \$98/MWh
 - As at 31 May 2019: \$95/MWh
 - As at 30 April 2019: \$102/MWh
- » As at 14 June 2019, South Island controlled storage was 127% of mean (31 May 2019: 131%) and North Island controlled storage was 76% of mean (31 May 2019: 52%)
 - As at 14 June 2019, total Clutha scheme storage (including uncontrolled storage) was 116% of mean
 - Inflows into Contact's Clutha catchment for May 2019 were 160% of mean (April 2019: 124%, March 2019: 131%, February 2019: 82%)

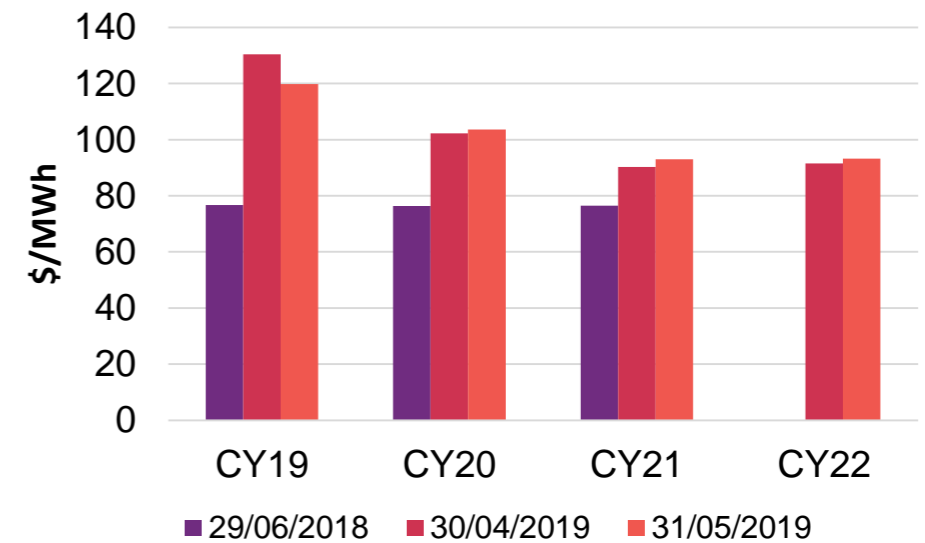
Contact secured gas supply from OMV for 40 TJ/day of gas for this winter (4.5PJ) at a price in-line with guidance. The agreement, which is subject to customary approvals, also provides for the supply of Maui gas at the same price for 2020 to 2024, with volumes subject to field deliverability.

Hydro storage and forward prices

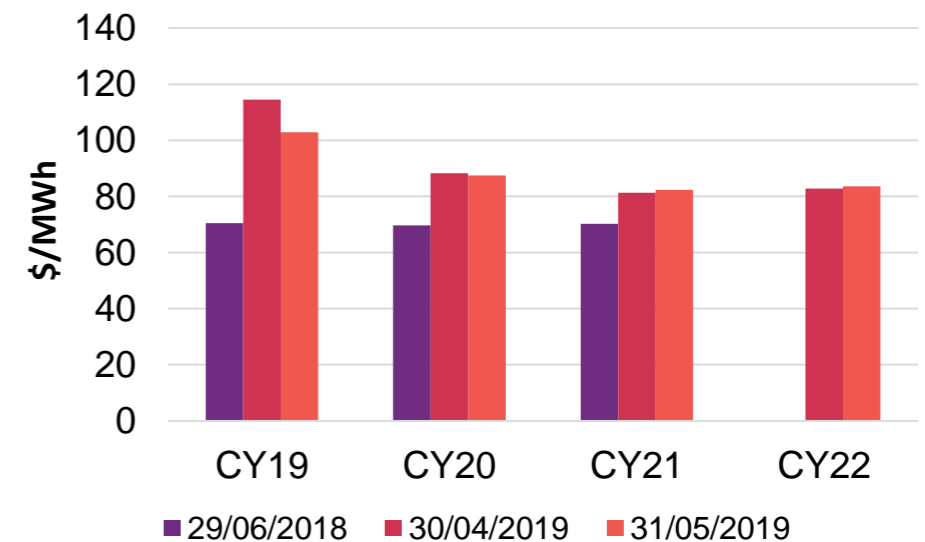
New Zealand controlled hydro storage against mean



Otahuhu ASX futures settlement

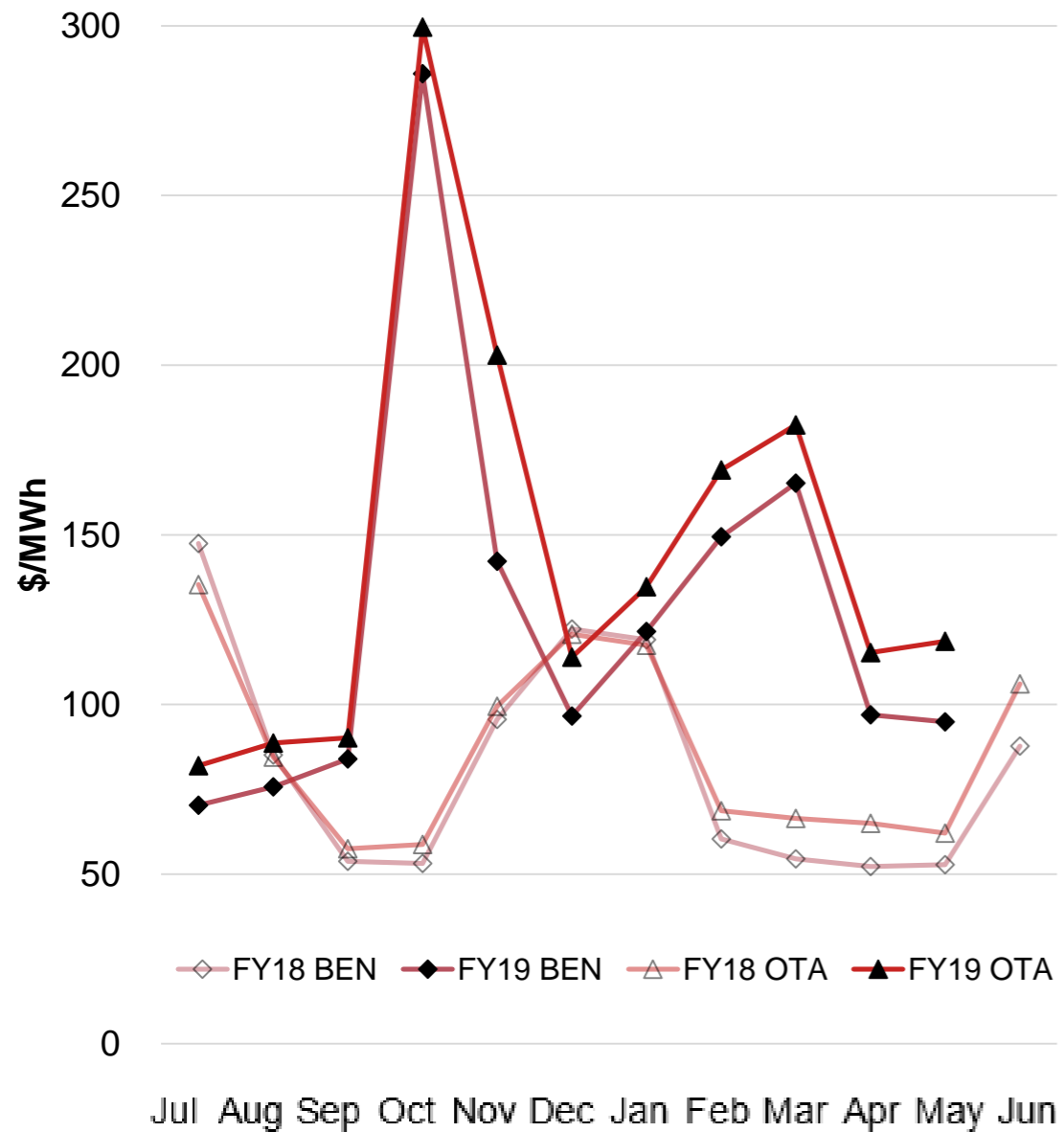


Benmore ASX futures settlement



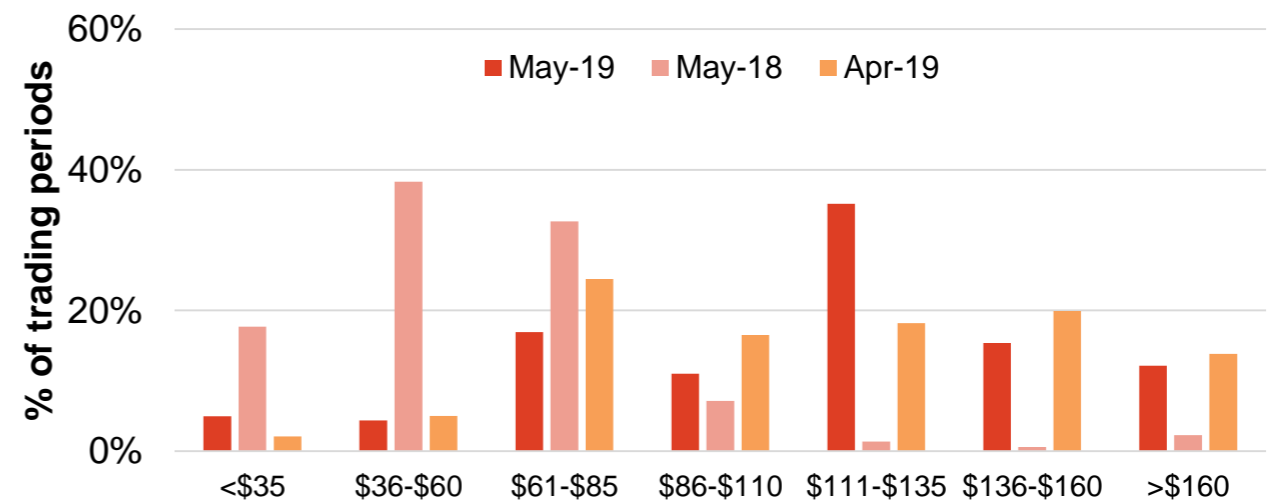
Wholesale market

Wholesale electricity pricing

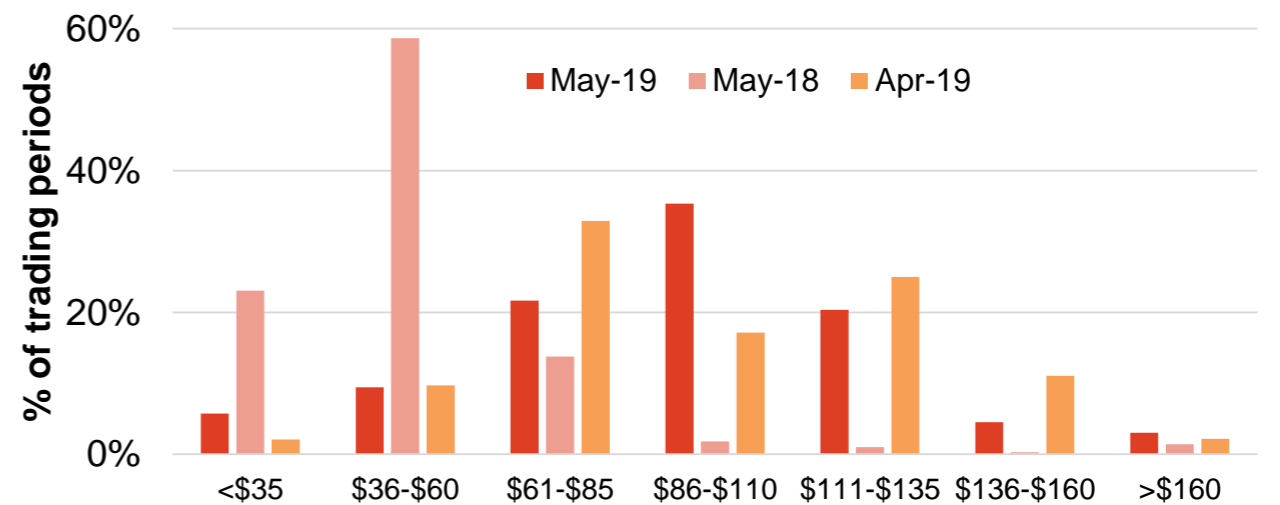


Distribution of wholesale market price by trading periods

Otahuhu node



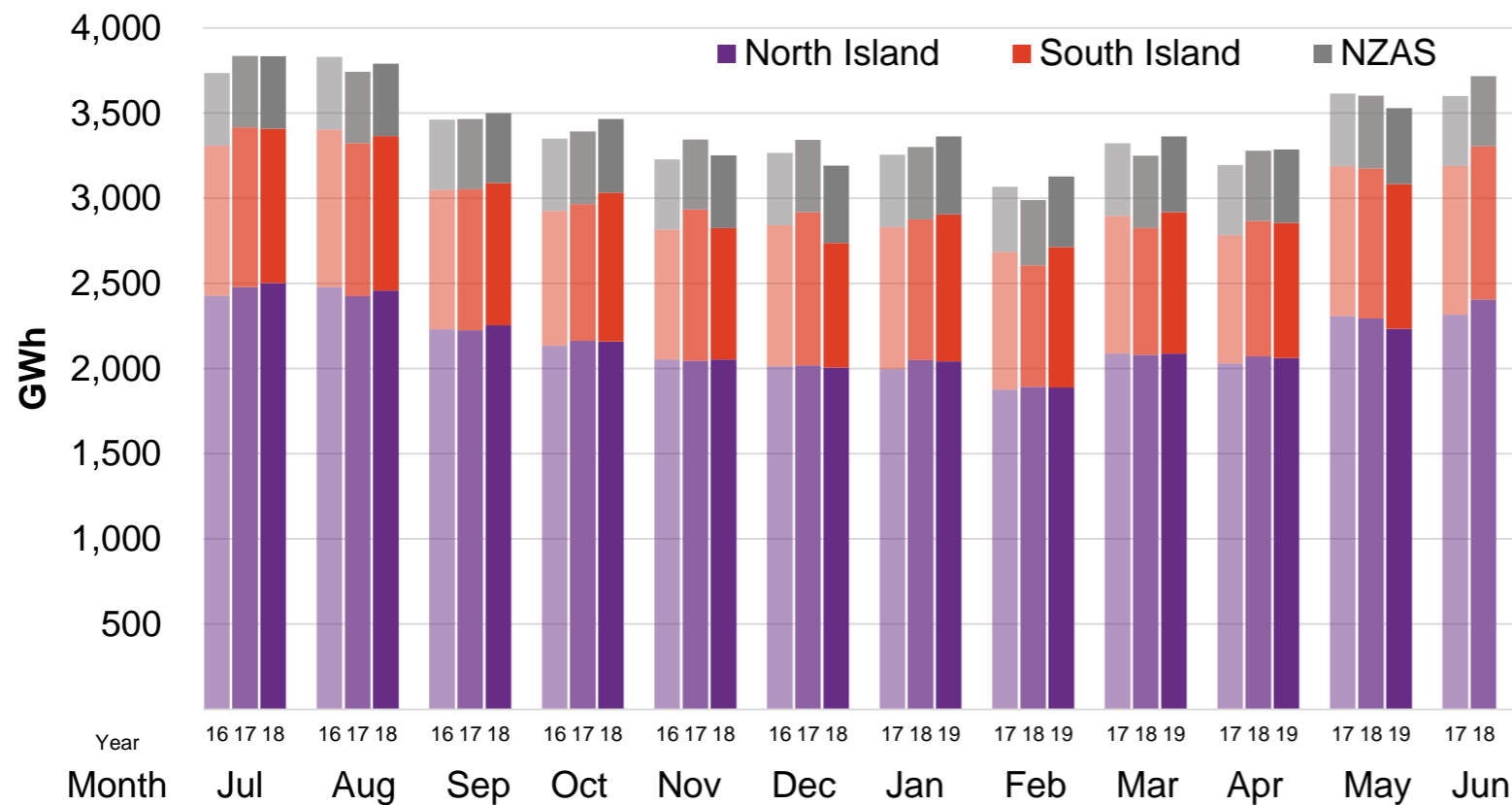
Benmore node



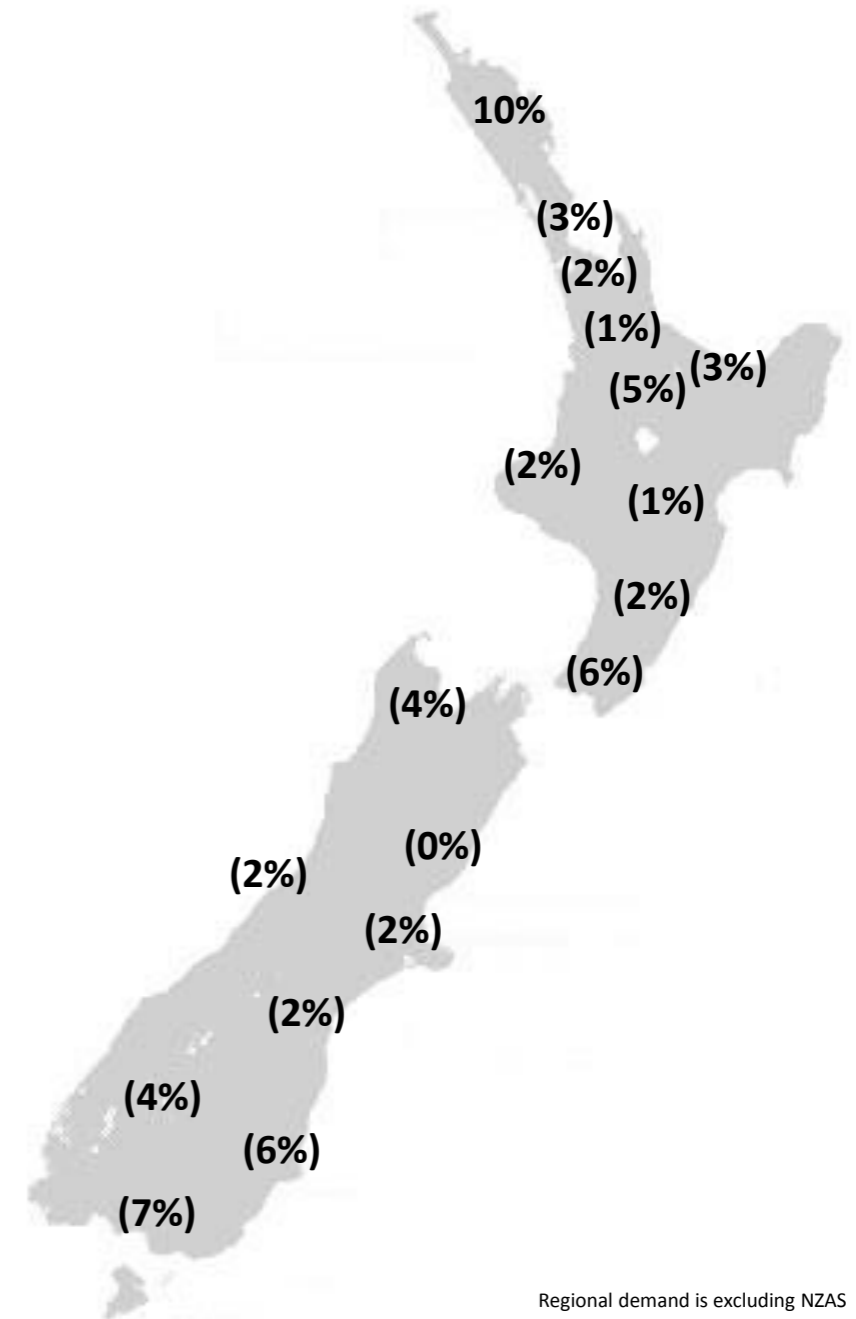
Electricity demand

- » New Zealand electricity demand was down 2.0% on May 2018 (down 2.4% on May 2017):
 - Cumulative 12 months demand for June 2018 to May 2019 of 41,418 GWh is up by 0.7% on the prior comparative period.

Total national demand (FY17, 18 and 19)



Regional demand change (%) on May 2018

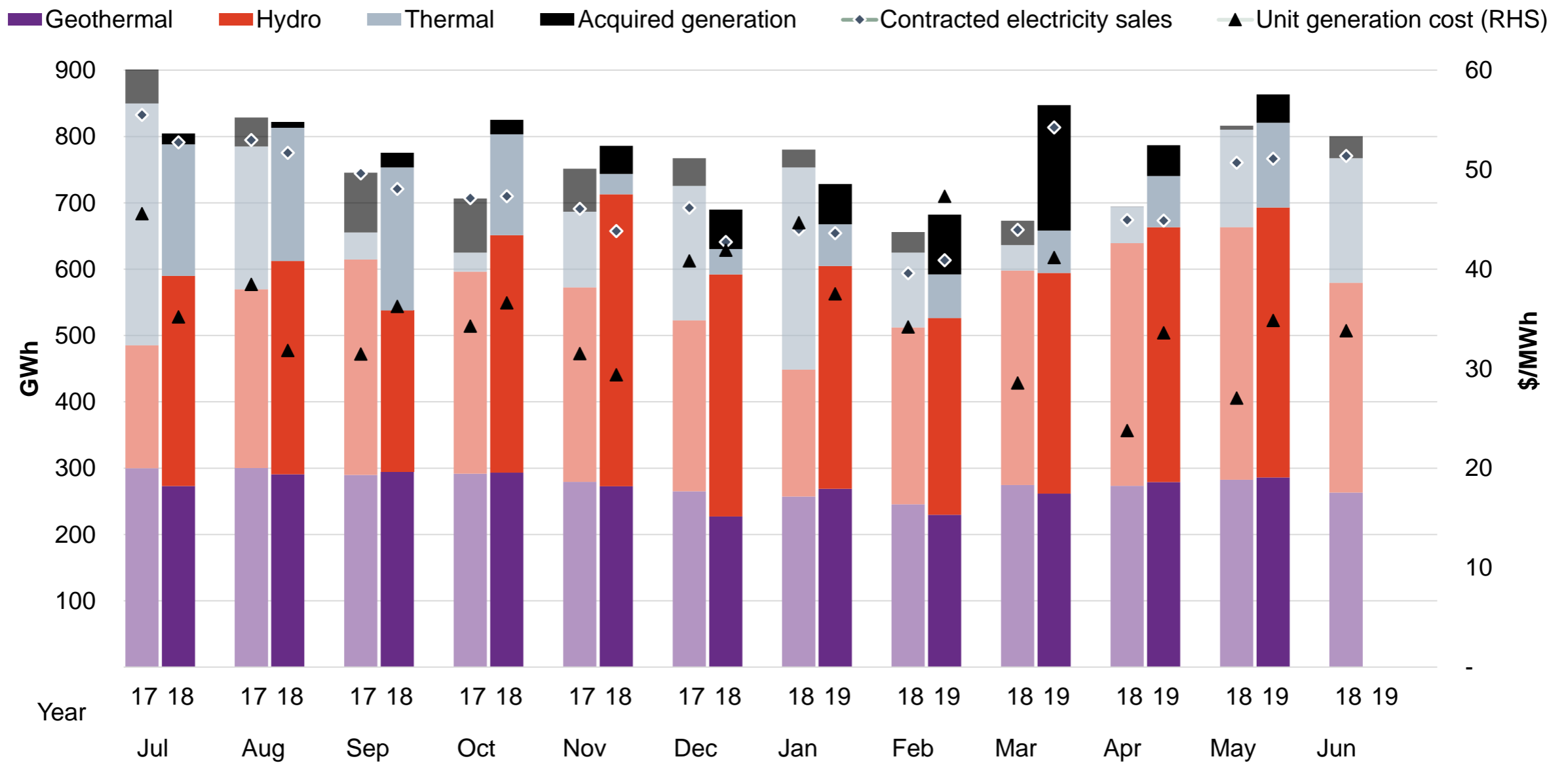


Regional demand is excluding NZAS

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

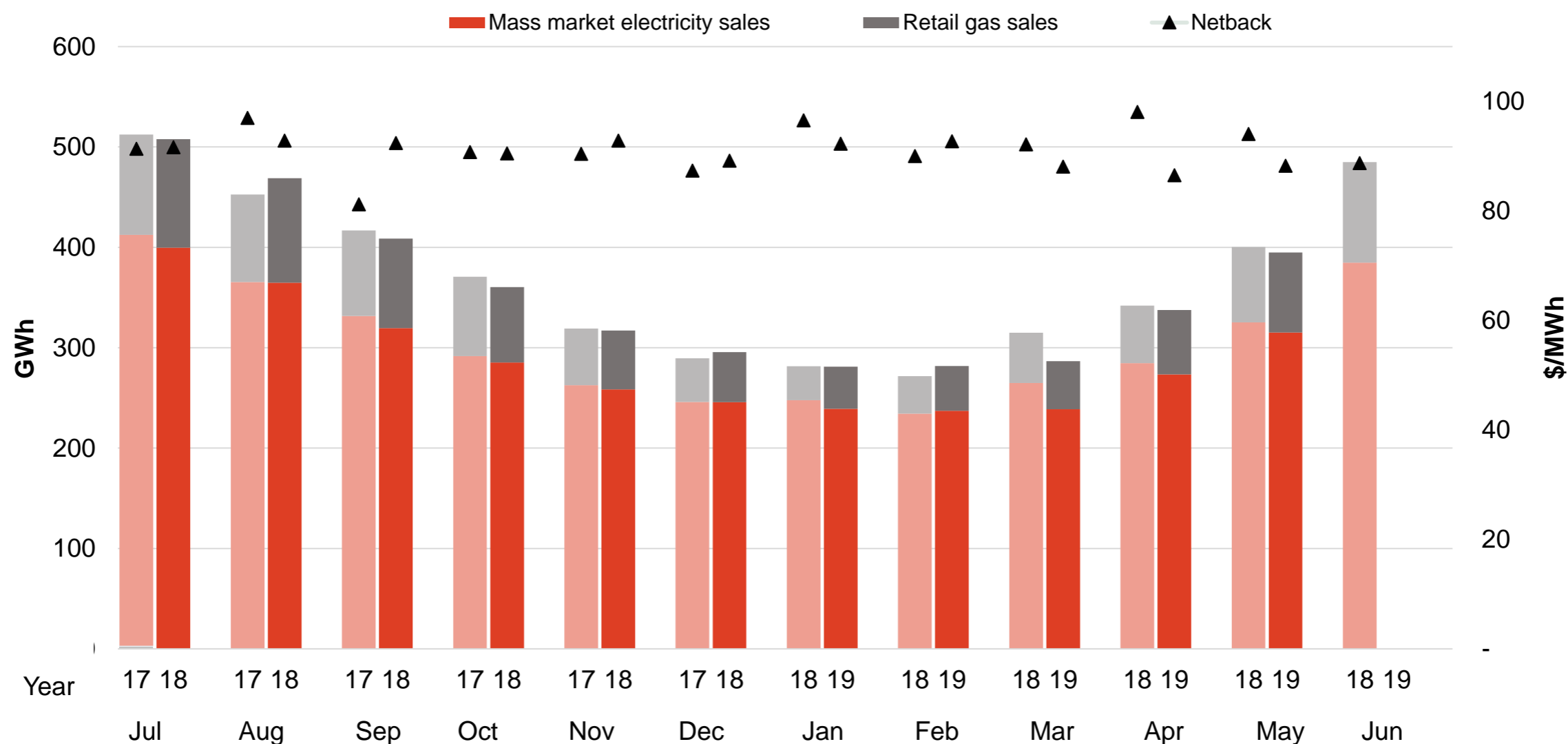
Contact's Wholesale business performance

Generation mix, gross sales position and unit generation cost (FY18 and 19)



Contact's Customer business performance

Retail sales volumes and netback (FY18 and 19)







Contact's operational performance

	Measure	The month ended May 19	The month ended May 18	The month ended April 19	Eleven months ended May 19	Eleven months ended May 18	
Customer	Mass market electricity sales	GWh	315	325	273	3,178	3,264
	Retail gas sales	GWh	80	75	64	763	706
	Mass market electricity and gas sales	GWh	395	400	337	3,940	3,969
	Average electricity sales price	\$/MWh	242.31	243.21	245.37	245.17	243.07
	Electricity direct pass thru costs	\$/MWh	(117.87)	(117.92)	(122.62)	(120.45)	(118.95)
	Cost to serve	\$/MWh	(21.17)	(16.21)	(22.99)	(19.36)	(18.75)
	Customer netback	\$/MWh	88.21	94.03	86.47	90.72	91.67
	Energy cost	\$/MWh	(79.65)	(82.67)	(70.40)	(73.61)	(72.67)
	Actual electricity line losses	%	1%	11%	2%	7%	8%
	Retail gas sales	PJ	0.3	0.3	0.2	2.7	2.4
	Electricity ICPs (rounded to the nearest 500)	#	411,000	414,000	409,500		
	Gas ICPs (rounded to the nearest 500)	#	66,500	65,000	66,500		
	Wholesale	Electricity sales to Customer business	GWh	318	366	279	3,402
Electricity sales to Commercial and Industrial		GWh	232	284	223	2,813	3,123
Electricity CFD sales		GWh	216	111	171	1,604	1,157
Contracted electricity sales		GWh	767	761	673	7,818	7,811
Steam sales		GWh	20	39	39	548	564
Total electricity and steam net revenue		\$/MWh	88.26	82.97	75.60	78.47	74.56
C&I netback (at the ICP)		\$/MWh	96.51	93.51	89.55	84.26	83.49
C&I line losses		%	5%	5%	5%	4%	4%
Thermal generation		GWh	128	147	77	1,233	1,624
Geothermal generation		GWh	286	283	279	2,977	3,059
Hydro generation		GWh	407	380	384	3,801	3,163
Spot electricity sales		GWh	821	810	740	8,011	7,846
Electricity sales - Direct		GWh	3	4	5	82	89
Acquired generation		GWh	43	6	46	600	486
Electricity generated (or acquired)		GWh	867	821	792	8,693	8,421
Unit generation cost (including acquired generation)		\$/MWh	(34.85)	(25.61)	(33.62)	(36.38)	(34.44)
Spot electricity purchases		GWh	(547)	(646)	(497)	(6,132)	(6,565)
CFD sales		GWh	(216)	(111)	(171)	(1,604)	(1,157)
Spot exposed purchases / CFD settlement		GWh	(763)	(757)	(668)	(7,736)	(7,722)
Spot revenue and settlement on acquired generation (GWAP)		\$/MWh	102.51	56.89	103.09	132.86	83.53
Spot purchases and settlement on CFDs sold (LWAP)		\$/MWh	(110.90)	(63.71)	(111.27)	(139.24)	(88.28)
LWAP/GWAP		%	108%	112%	108%	105%	106%
Gas used in internal generation	PJ	1.1	1.4	0.8	12.5	16.1	
Gas storage net movement (extraction) / injection	PJ	(0.4)	0.4	0.0	(3.0)	0.1	

Keep in touch

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