



Monthly Operating Report

January 2019

January overview

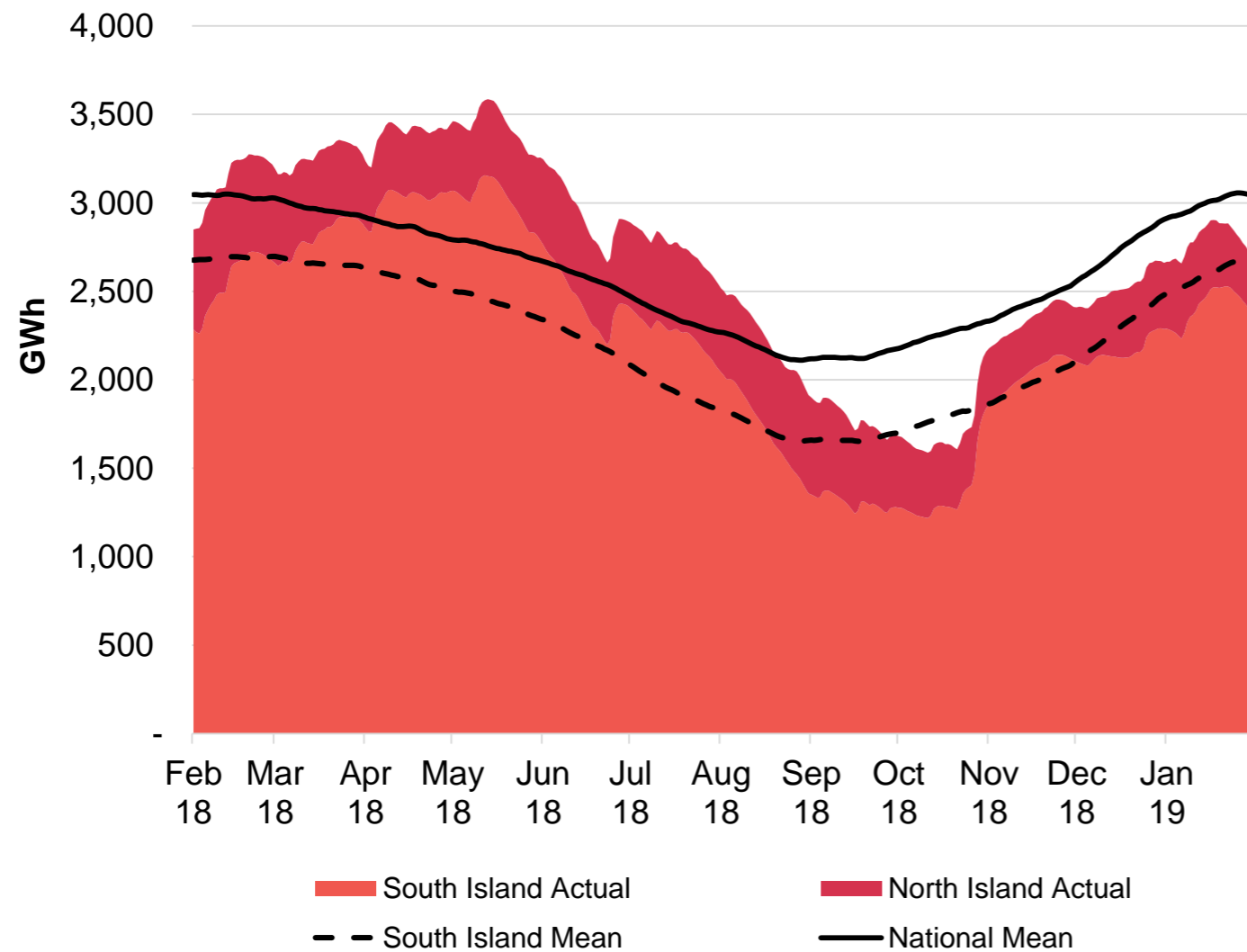
For the month of January 2019

- » The Customer business recorded:
 - Mass market electricity and gas sales of 281 GWh (January 2018: 282 GWh)
 - Mass market electricity and gas netback of \$92.25/MWh (January 2018: \$96.50/MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 654 GWh (January 2018: 660 GWh)
 - Electricity and steam net revenue of \$71.68/MWh (January 2018: \$70.03/MWh)
 - Electricity generated (or acquired) in the month of 738 GWh (January 2018: 790 GWh)
 - The unit generation cost, which includes acquired generation was \$37.53/MWh (January 2018: \$44.07/MWh)
- » Otahuhu futures settlement wholesale price for the 1st quarter of 2019 (ASX):
 - As at 13 February 2019: \$195/MWh
 - As at 31 January 2019: \$146/MWh
 - As at 31 December 2018: \$125/MWh
- » As at 13 February 2019, South Island controlled storage was 88% of mean (31 January 2019: 96%) and North Island controlled storage was 84% of mean (31 January 2019: 95%)
 - As at 13 February 2019, total Clutha scheme storage (including uncontrolled storage) was 72% of mean
 - Inflows into Contact's Clutha catchment for January 2019 were 102% of mean (December 2018: 69% November 2018: 106%, October 2018: 89%)

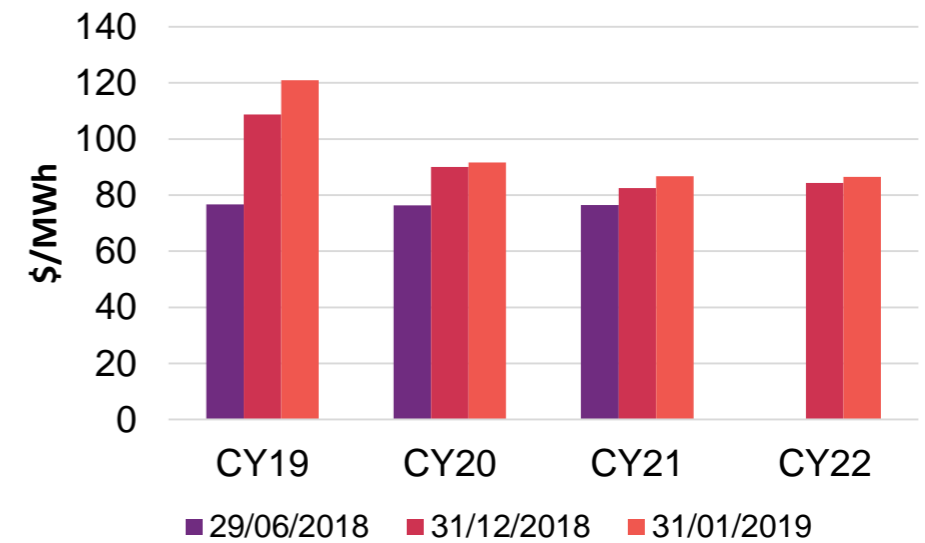
The Electricity Price Review Panel are releasing an options paper for consultation in week commencing 18 February

Hydro storage and forward prices

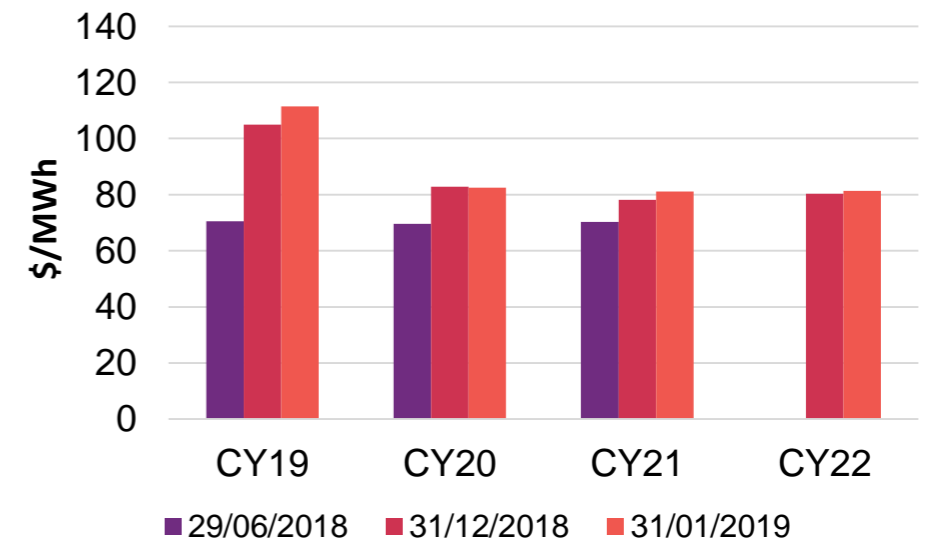
New Zealand controlled hydro storage against mean



Otahuhu ASX futures settlement

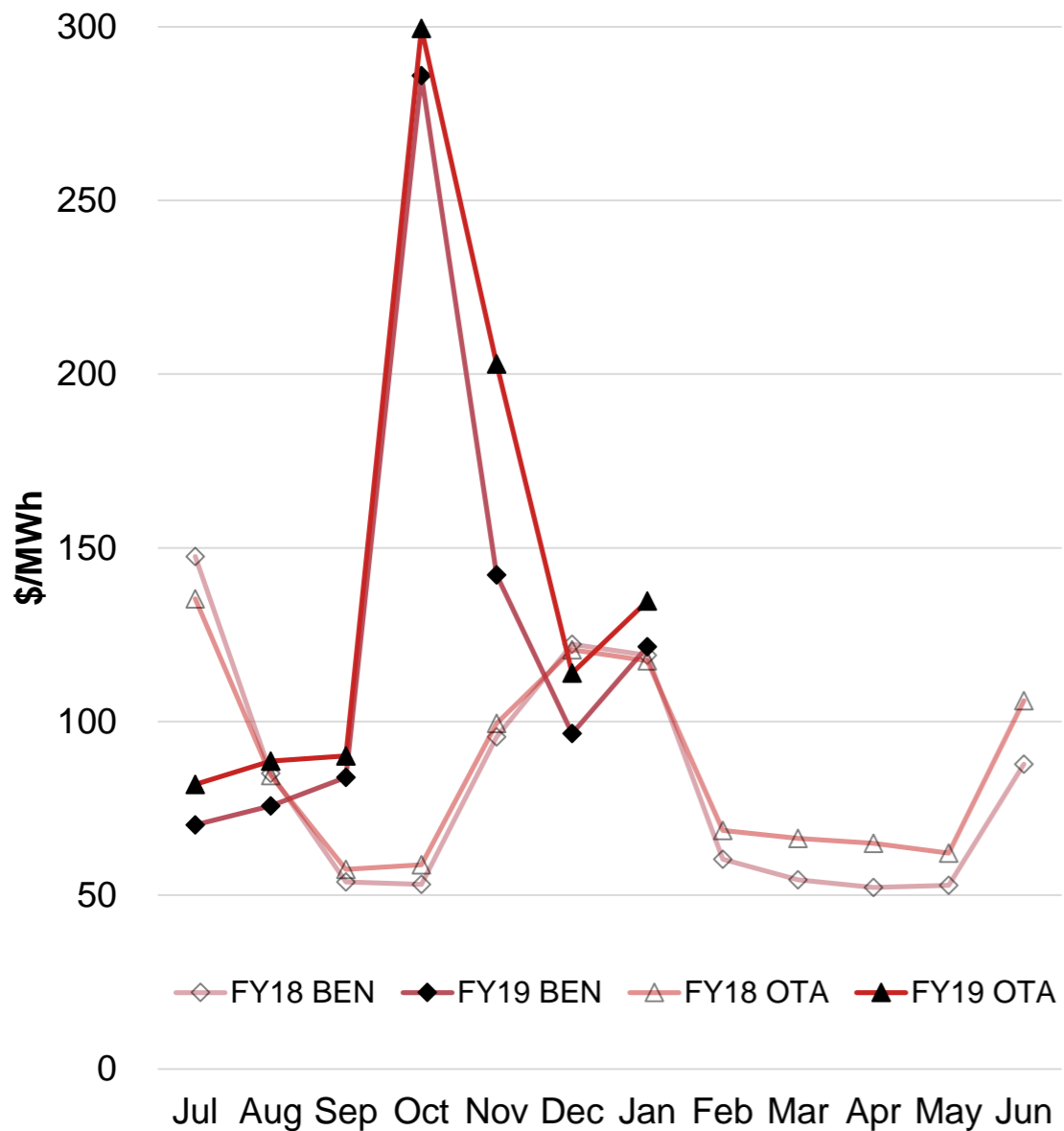


Benmore ASX futures settlement



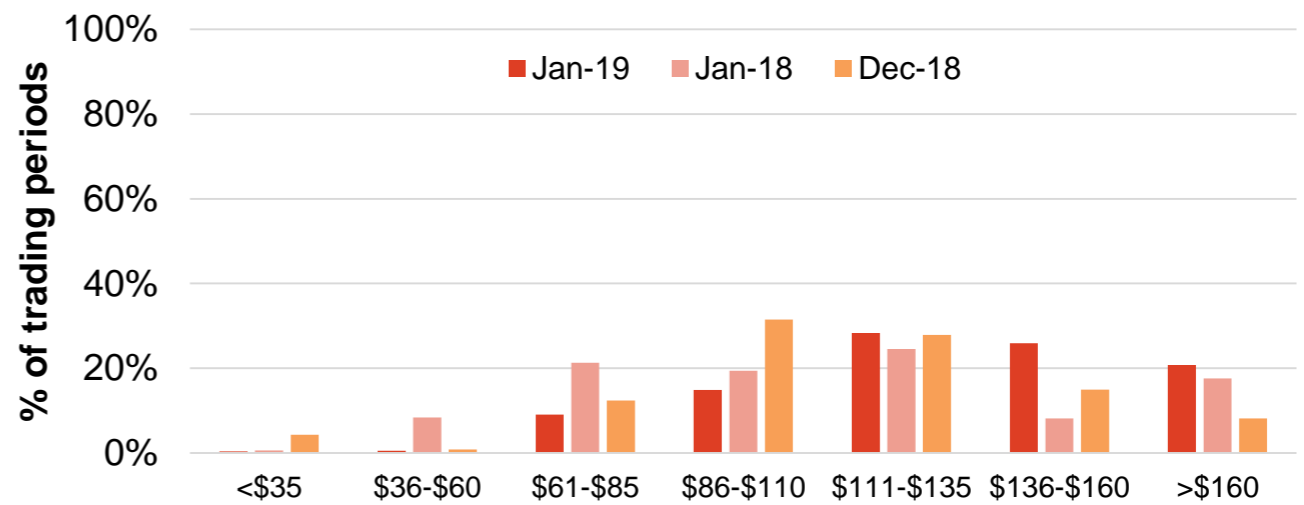
Wholesale market

Wholesale electricity pricing

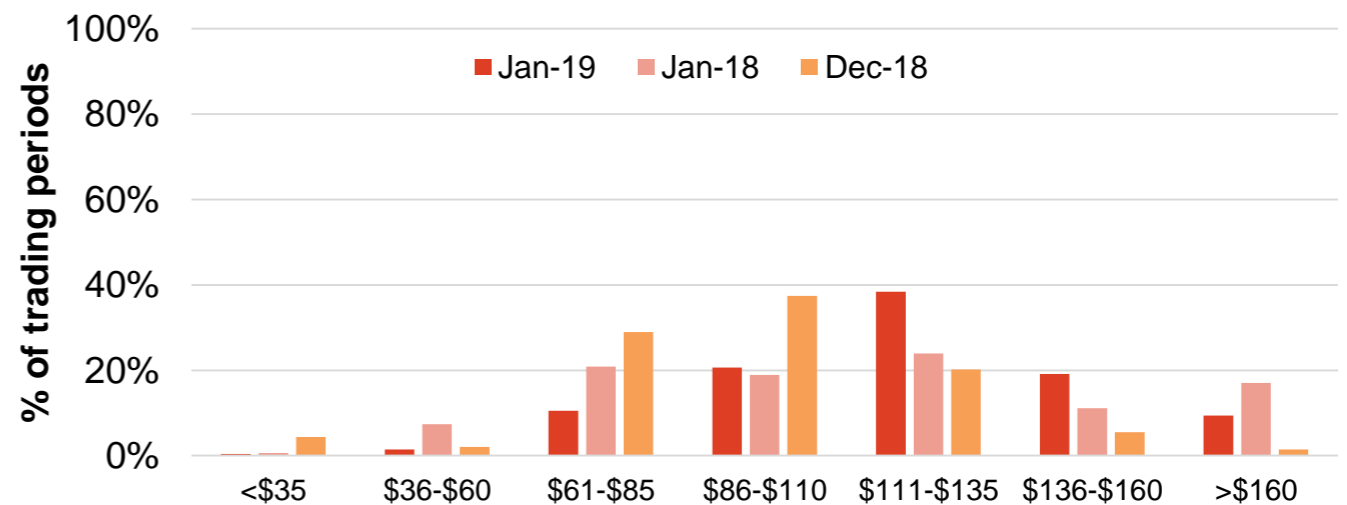


Distribution of wholesale market price by trading periods

Otahuhu node



Benmore node

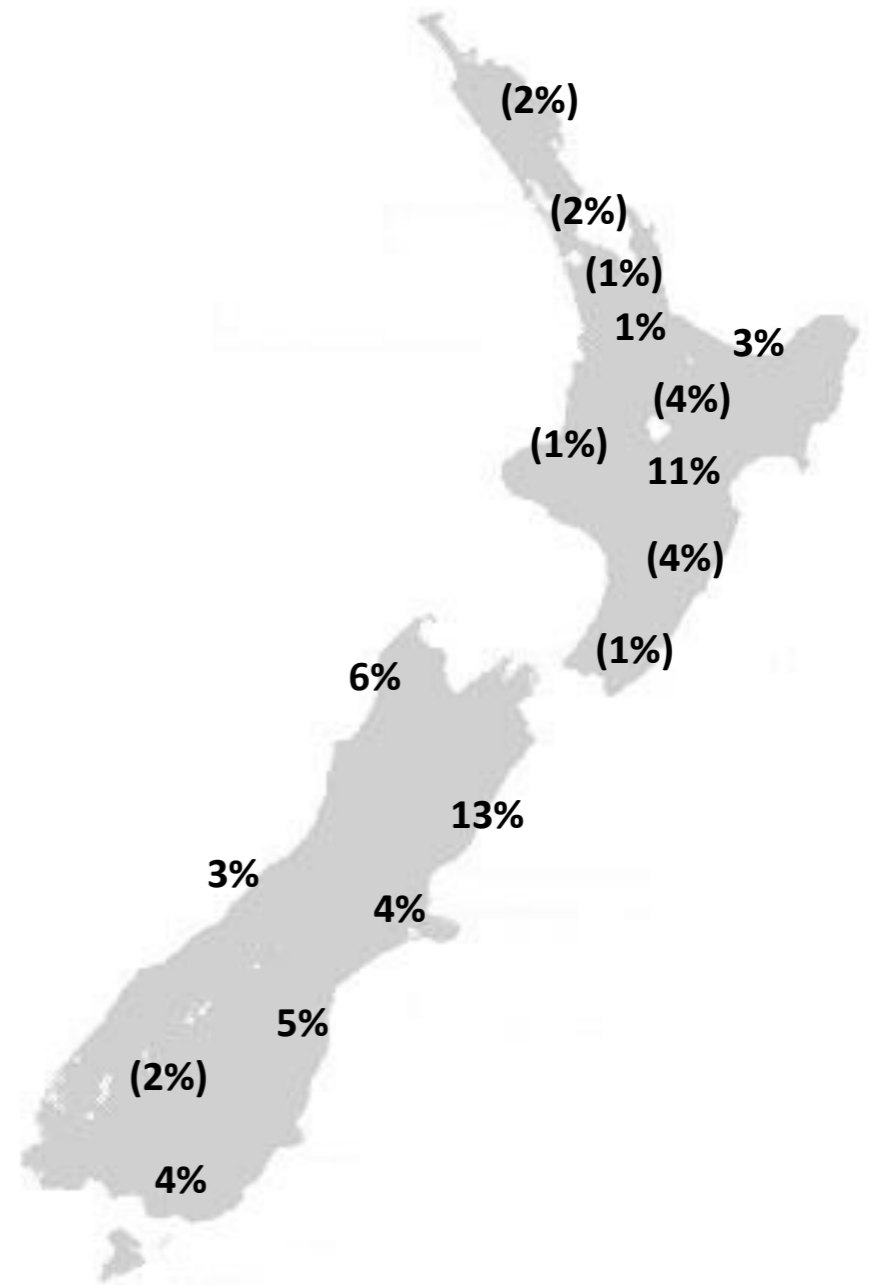
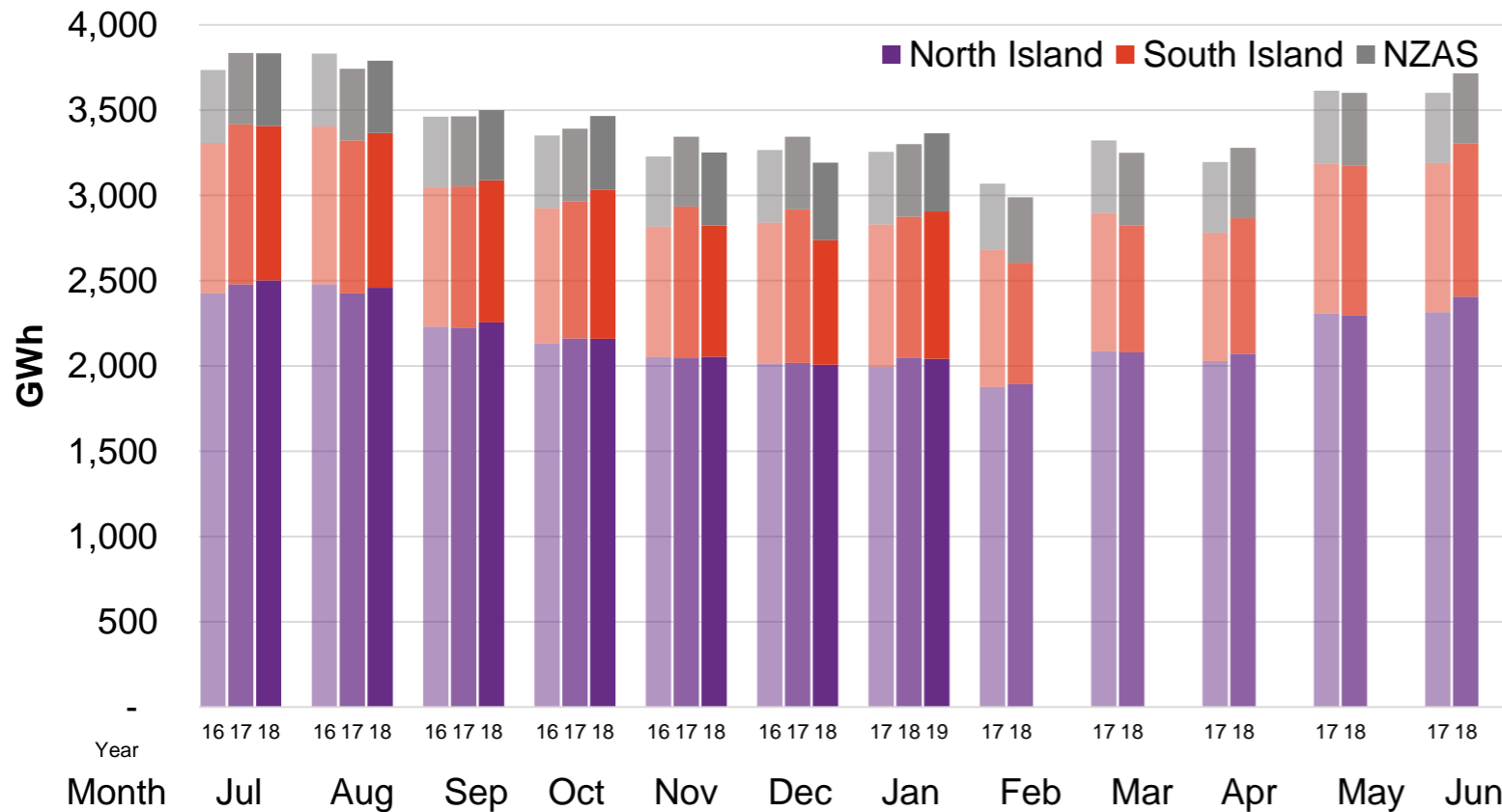


Electricity demand

- » New Zealand electricity demand was up 1.9% on January 2018 (up 3.3% on January 2017)
 - Cumulative 12 months demand for February 2018 to January 2019 of 41,229 GWh is flat on the prior comparative period.

Regional demand change (%) on January 2018

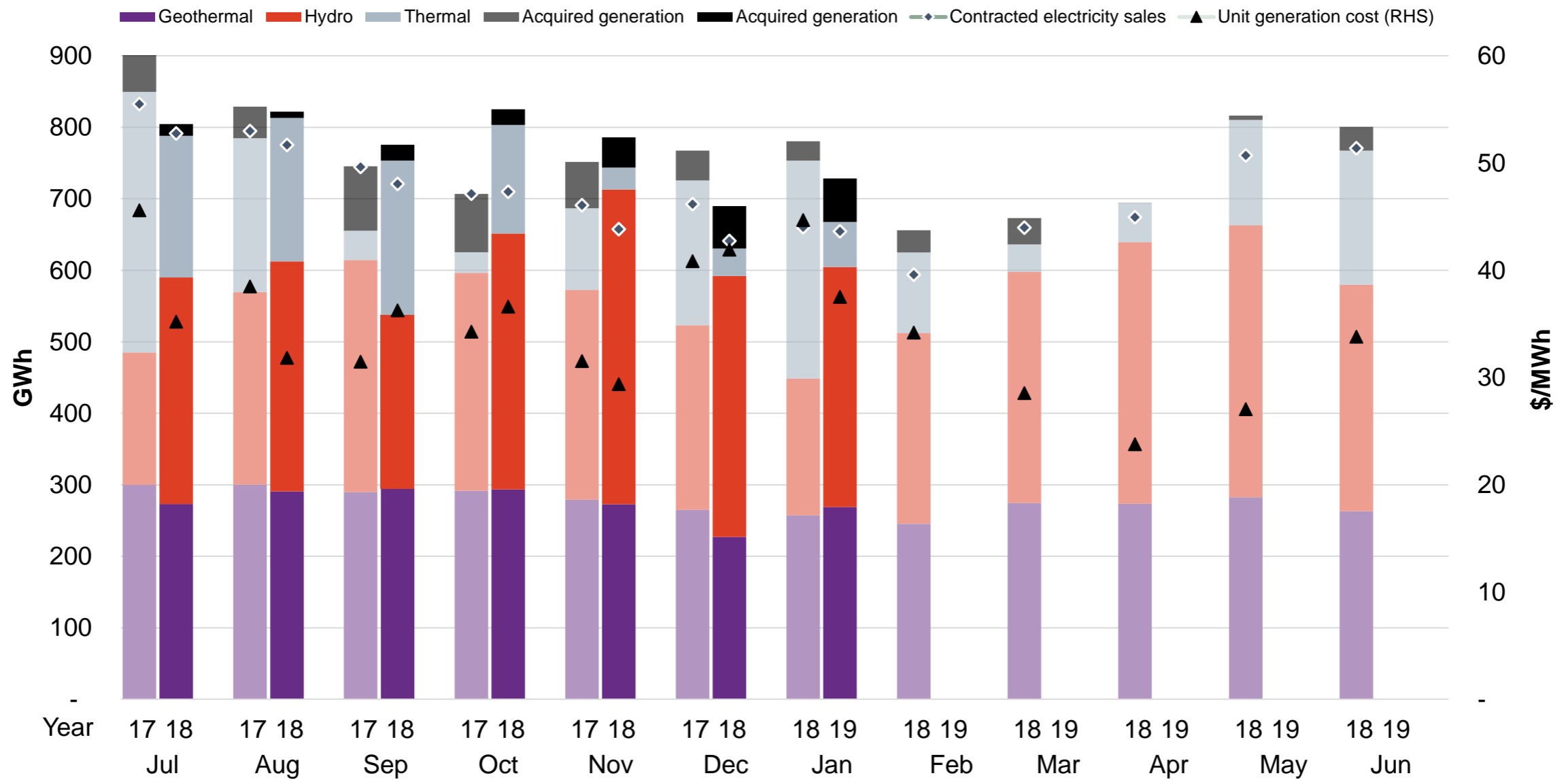
Total national demand (FY17, 18 and 19)



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

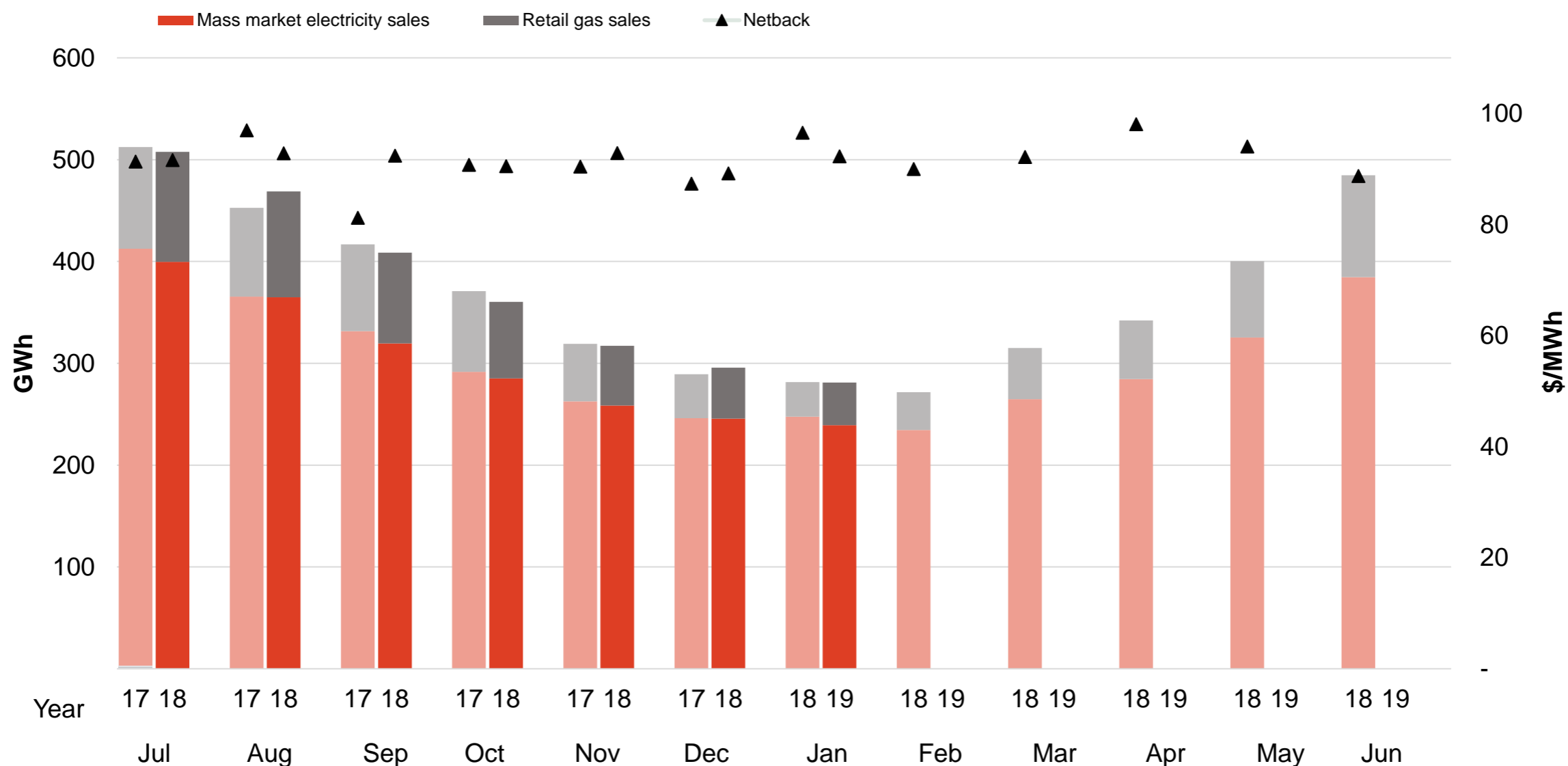
Contact's Wholesale business performance

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 January 19	The month ended January 18	The month ended December 18	Seven months ended January 19	Seven months ended January 18	
Customer	Mass market electricity sales	GWh	239	248	246	2,113	2,154
	Retail gas sales	GWh	42	34	50	527	486
	Mass market electricity and gas sales	GWh	281	282	296	2,640	2,640
	Average electricity sales price	\$/MWh	256.56	255.99	250.48	244.16	242.21
	Electricity direct pass thru costs	\$/MWh	(131.89)	(125.13)	(129.49)	(118.83)	(118.88)
	Cost to serve	\$/MWh	(23.52)	(25.21)	(23.04)	(17.72)	(18.30)
	Customer netback	\$/MWh	92.25	96.50	89.16	91.72	90.60
	Energy cost	\$/MWh	(73.27)	(68.74)	(58.52)	(71.77)	(70.80)
	Actual electricity line losses	%	10%	7%	7%	7%	8%
	Retail gas sales	PJ	0.2	0.1	0.2	1.8	1.6
	Electricity ICPs (rounded to the nearest 500)	#	406,000	415,500	406,000		
	Gas ICPs (rounded to the nearest 500)	#	65,500	64,500	65,000		
	Wholesale	Electricity sales to Customer business	GWh	267	267	266	2,284
Electricity sales to Commercial and Industrial		GWh	270	285	260	1,842	2,021
Electricity CFD sales		GWh	117	109	116	825	767
Contracted electricity sales		GWh	654	660	641	4,951	5,123
Steam sales		GWh	55	44	56	406	373
Total electricity and steam net revenue		\$/MWh	71.68	70.03	74.10	77.03	73.53
C&I netback (at the ICP)		\$/MWh	76.71	75.52	77.31	82.06	81.87
C&I line losses		%	3%	1%	4%	4%	4%
Thermal generation		GWh	63	305	38	899	1,271
Geothermal generation		GWh	269	257	227	1,920	1,983
Hydro generation		GWh	336	191	365	2,381	1,826
Spot electricity sales		GWh	668	753	631	5,200	5,081
Electricity sales - Direct		GWh	9	10	9	60	59
Acquired generation		GWh	61	27	59	232	412
Electricity generated (or acquired)		GWh	738	790	699	5,492	5,552
Unit generation cost (including acquired generation)		\$/MWh	(37.53)	(44.07)	(41.67)	(34.90)	(37.99)
Spot electricity purchases		GWh	(528)	(542)	(516)	(4,066)	(4,297)
CFD sales		GWh	(117)	(109)	(116)	(825)	(767)
Spot exposed purchases / CFD settlement		GWh	(645)	(651)	(632)	(4,891)	(5,064)
Spot revenue and settlement on acquired generation (GWAP)		\$/MWh	126.52	118.44	102.49	133.50	96.07
Spot purchases and settlement on CFDs sold (LWAP)		\$/MWh	(133.08)	(126.11)	(107.42)	(137.70)	(100.86)
LWAP/GWAP		%	105%	106%	105%	103%	105%
Gas used in internal generation		PJ	0.8	2.7	0.6	8.9	12.2
Gas storage net movement (extraction) / injection	PJ	(0.0)	(0.5)	0.2	(2.0)	(1.3)	

Keep in touch

Investors

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