

Monthly Operating Report

January 2020



Putting our energy where it matters

January overview.

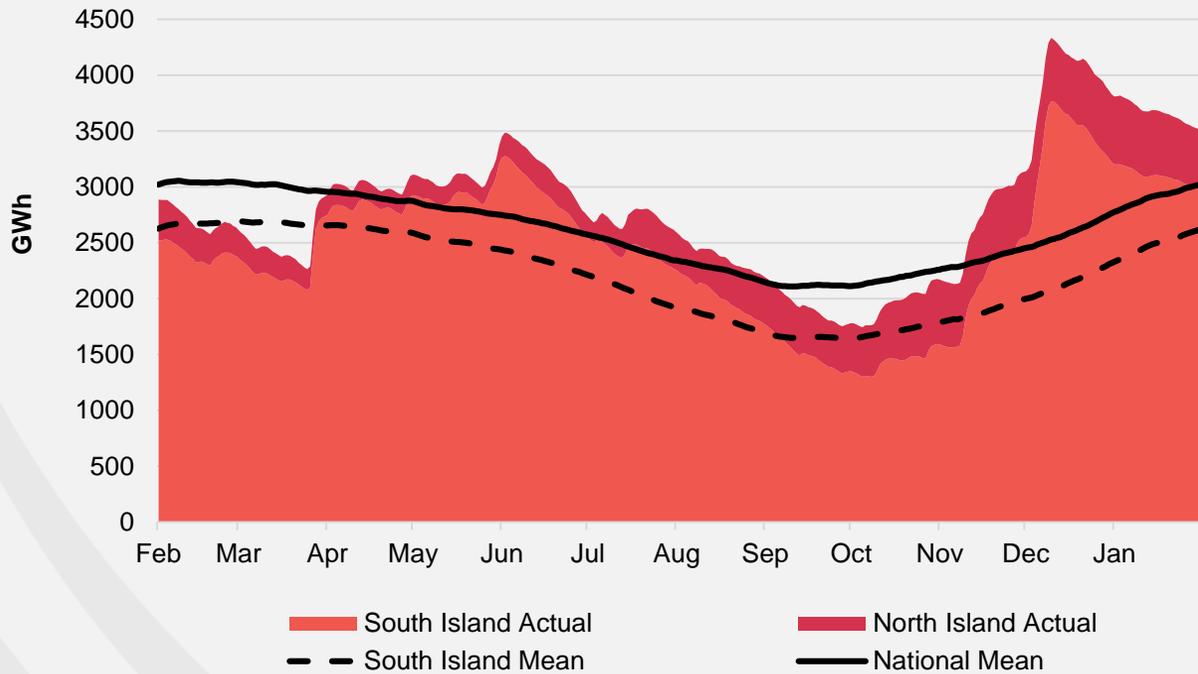
For the month of January 2020

- » The Customer business recorded:
 - Mass market electricity and gas sales of 297 GWh (January 2019: 281 GWh)
 - Mass market electricity and gas netback of \$88.97/MWh (January 2019: \$92.25/MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 579 GWh (January 2019: 654 GWh)
 - Electricity and steam net revenue of \$73.51/MWh (January 2019: \$71.68/MWh)
 - Electricity generated (or acquired) of 654 GWh (January 2019: 738 GWh)
 - The unit generation cost, which includes acquired generation was \$31.93/MWh (January 2019: \$37.53/MWh)
 - Own generation cost in the month of \$30.48/MWh (January 2019: \$30.54/MWh)
- » Otahuhu futures settlement wholesale price for the 2nd quarter of 2020 (ASX):
 - As at 11 February 2020: \$122/MWh
 - As at 31 January 2020: \$120/MWh
 - As at 31 December 2019: \$123/MWh
- » As at 11 February, South Island controlled storage was 131% of mean (31 January 2020: 112%) and North Island controlled storage was 119% of mean (31 January 2020: 126%)
 - As at 11 February 2020, total Clutha scheme storage (including uncontrolled storage) was 143% of mean
 - Inflows into Contact's Clutha catchment for January 2020 were 68% of mean (December 2019: 204%, November 2019: 174%, October 2019: 92%, September 2019: 52%)

Hydro storage and forward prices.

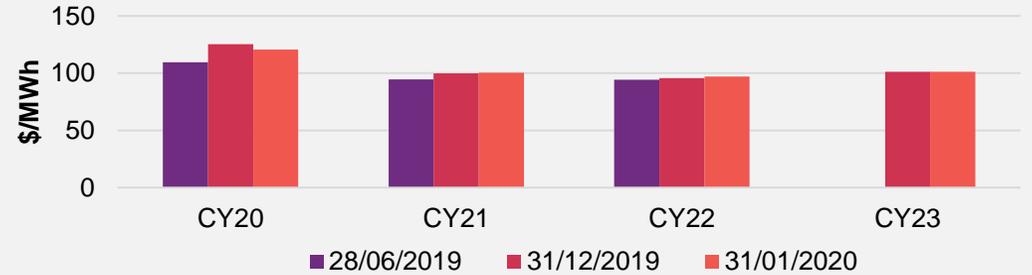
New Zealand controlled hydro storage against mean

CY2019

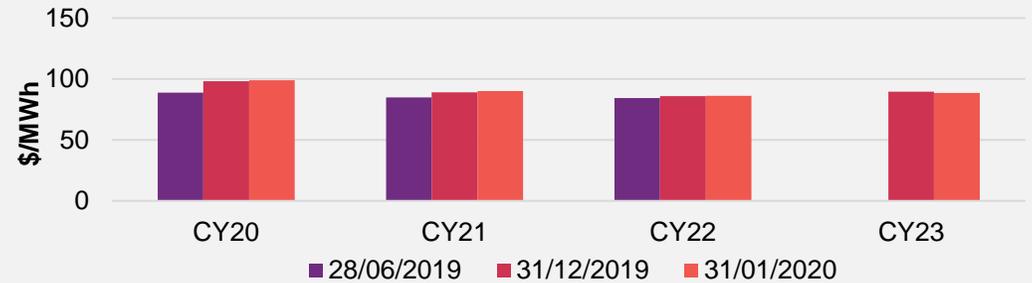


ASX futures settlement

Otahuhu

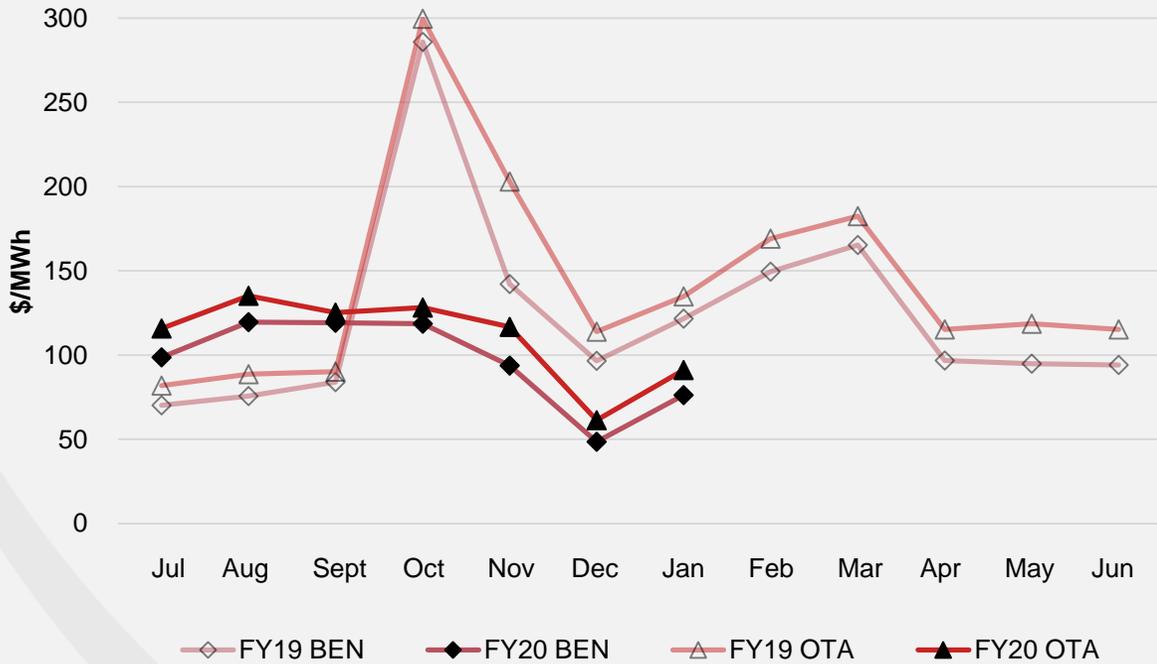


Benmore



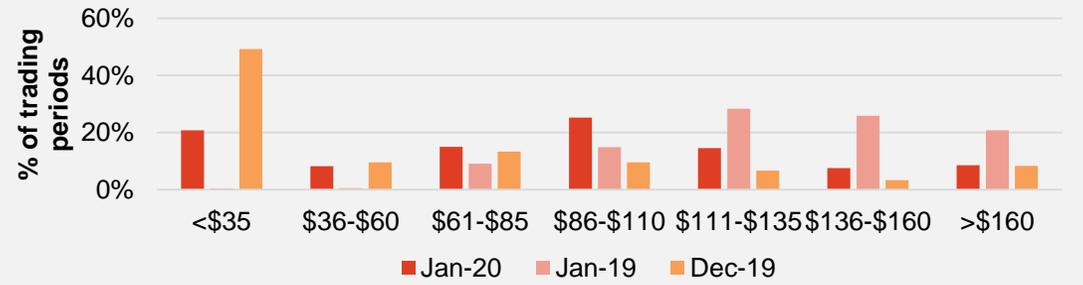
Wholesale market.

Wholesale electricity pricing

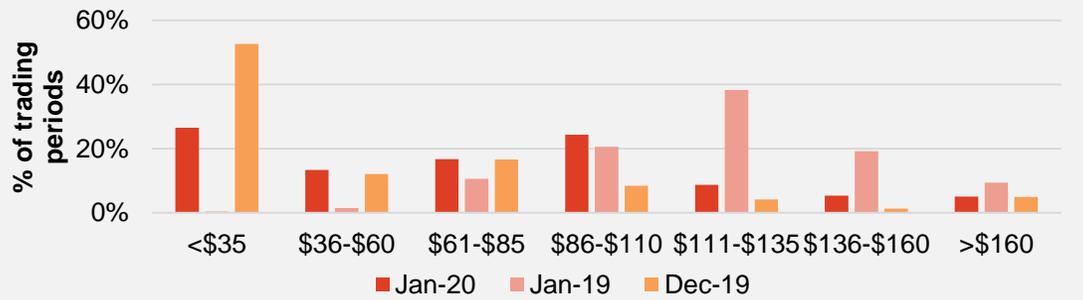


Distribution of wholesale market price by trading periods

Otahuhu



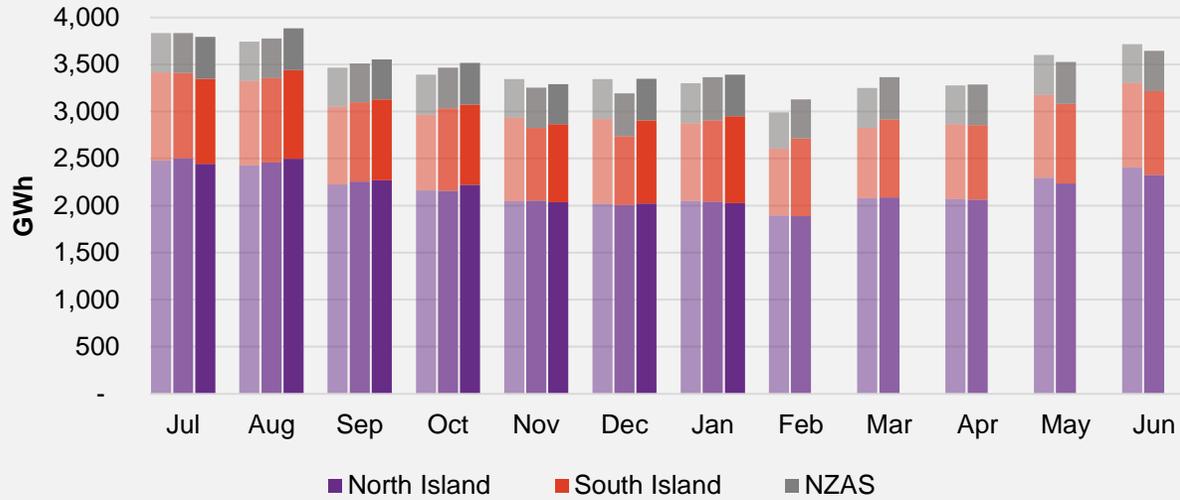
Benmore



Electricity demand.

Total national demand

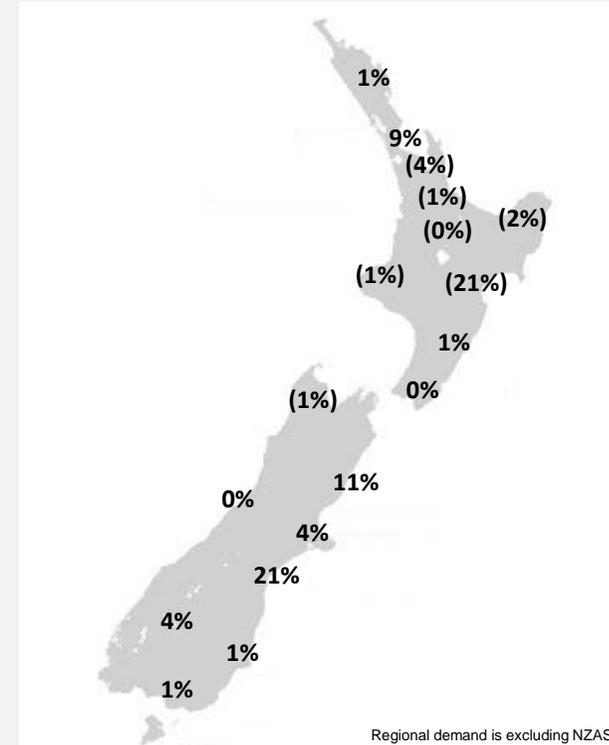
FY18, 19 and 20 respectively



- » New Zealand electricity demand was up 0.9% on January 2019 (up 2.8% on January 2017):
 - Cumulative 12 months demand for February 2019 to January 2020 of 41,727 GWh is up by 1.2% on the prior comparative period.

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

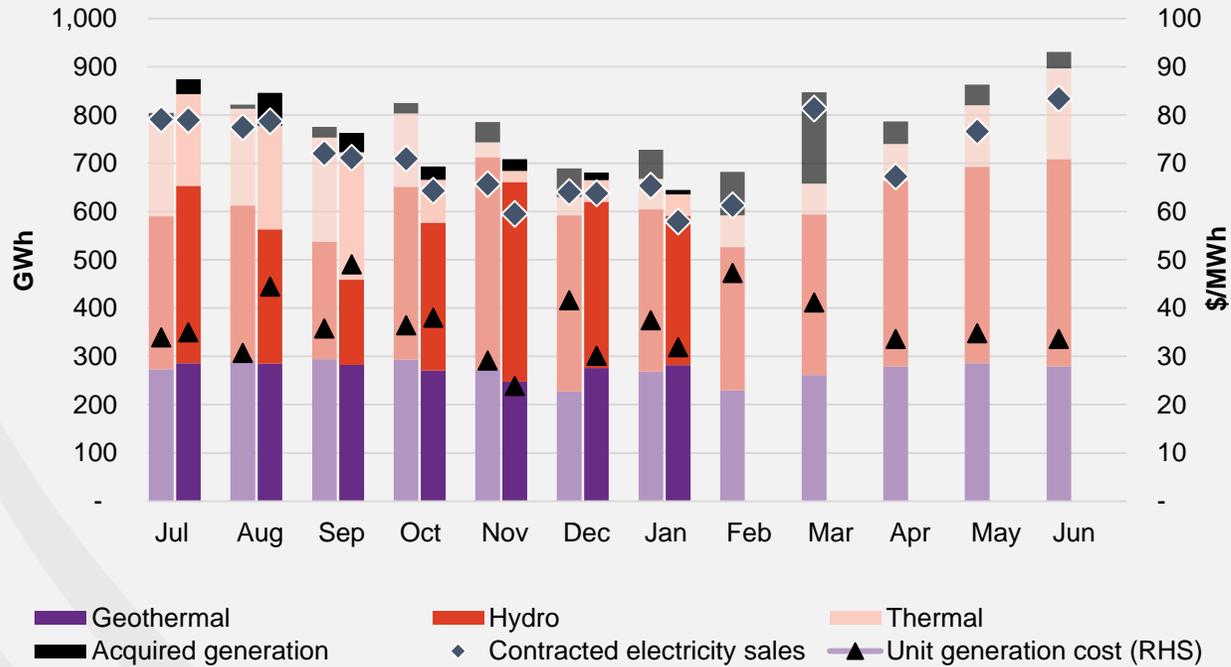
Regional demand change (%) on January 2019



Business performance.

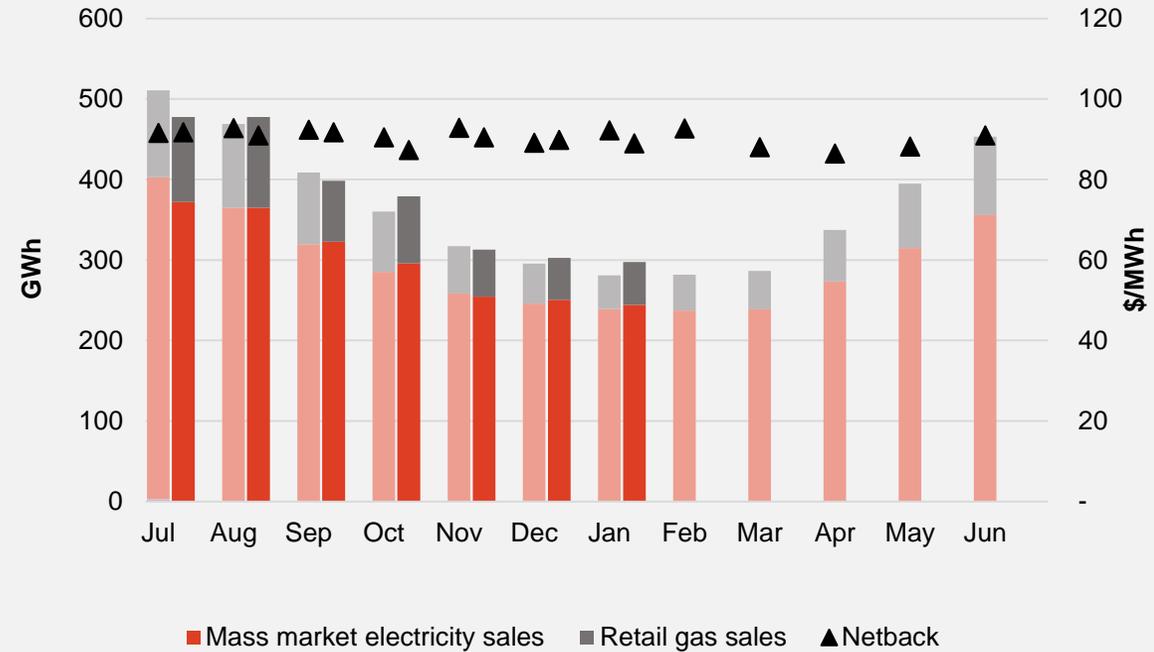
Wholesale

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



Customer

Retail sales volumes and netback (FY19 and 20 respectively)



Operational data.

	Measure	The month ended January 20	The month ended January 19	The month ended December 19	Seven months ended January 20	Seven months ended January 19	
Customer	Mass market electricity sales	GWh	244	239	251	2,105	2,113
	Retail gas sales	GWh	53	42	52	541	527
	Mass market electricity and gas sales	GWh	297	281	303	2,646	2,640
	Average electricity sales price	\$/MWh	253.60	256.56	249.17	243.37	244.16
	Electricity direct pass thru costs	\$/MWh	(128.29)	(131.89)	(125.05)	(118.36)	(118.83)
	Cost to serve	\$/MWh	(21.79)	(23.52)	(19.10)	(17.95)	(17.72)
	Customer netback	\$/MWh	88.97	92.25	89.89	90.30	91.72
	Energy cost	\$/MWh	(76.45)	(73.27)	(63.56)	(77.58)	(71.77)
	Actual electricity line losses	%	5%	10%	4%	6%	7%
	Retail gas sales	PJ	0.2	0.2	0.2	1.9	1.8
	Electricity ICPs	#	409,500	406,000	410,000		
	Gas ICPs	#	65,500	65,500	65,500		
Wholesale	Electricity sales to Customer business	GWh	257	267	262	2,243	2,284
	Electricity sales to Commercial and Industrial	GWh	187	270	197	1,390	1,842
	Electricity CFD sales	GWh	135	117	179	1,115	825
	Contracted electricity sales	GWh	579	654	639	4,748	4,951
	Steam sales	GWh	59	55	66	402	406
	Total electricity and steam net revenue	\$/MWh	73.51	71.68	69.64	77.37	77.03
	C&I netback (at the ICP)	\$/MWh	80.11	76.71	69.82	82.55	82.06
	C&I line losses	%	5%	3%	5%	5%	4%
	Thermal generation	GWh	44	63	44	869	899
	Geothermal generation	GWh	282	269	276	1,931	1,920
	Hydro generation	GWh	310	336	345	2,195	2,381
	Spot electricity sales	GWh	636	668	665	4,995	5,200
	Electricity sales - Direct	GWh	10	9	10	59	60
	Acquired generation	GWh	9	61	16	217	232
	Electricity generated (or acquired)	GWh	654	738	691	5,271	5,492
	Unit generation cost (including acquired generation)	\$/MWh	(31.93)	(37.53)	(30.13)	(36.48)	(34.90)
	Spot electricity purchases	GWh	(435)	(528)	(450)	(3,573)	(4,066)
	CFD sale settlements	GWh	(135)	(117)	(179)	(1,115)	(825)
	Spot exposed purchases / CFD settlement	GWh	(570)	(645)	(629)	(4,688)	(4,891)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	85.63	126.52	58.31	103.57	133.50
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(91.28)	(133.08)	(63.00)	(109.46)	(137.70)
	LWAP/GWAP	%	107%	105%	108%	106%	103%
Gas used in internal generation	PJ	0.6	0.8	0.6	8.6	8.9	
Gas storage net movement (extraction) / injection	PJ	0.7	(0.0)	0.6	1.3	(2.0)	

Keep in touch.

Investors

Matthew Forbes – GM Corporate Finance

-  investor.centre@contactenergy.co.nz
-  contact.co.nz/aboutus/investor-centre
-  +64 21 072 8578

To find out more about Contact Energy

-  contact.co.nz
-  [@ContactEnergy](https://twitter.com/ContactEnergy)
-  [Linkedin.com/company/contact-energy-ltd](https://www.linkedin.com/company/contact-energy-ltd)
-  [Facebook.com/contactenergy](https://www.facebook.com/contactenergy)
-  [Youtube.com/ContactEnergy](https://www.youtube.com/ContactEnergy)