



# Quarterly Operational Update

Three months ended 30 June 2015

## ▶ QUARTERLY HIGHLIGHTS

**2.5** ↑ %

**ELECTRICITY DEMAND** up 2.5%, reflecting growth across all sectors

**170** ↓ GWh

**ANNUAL HYDRO GENERATION** down 170GWh compared to FY2014 – lowest in the Company's history

**FLAT**

**ENERGY PRICE** for the quarter, slightly down year on year

## ▶ COMMENTARY

### TREND OF DEMAND GROWTH CONTINUES; ASX PRICES FALL

Demand for electricity increased 2.5% during the three months to 30 June 2015 compared with the same period last year. After adjusting for lower temperatures, demand for the quarter is estimated to have increased 1.8%, reflecting growth across all sectors (dairy processing 0.6%, rural 0.5%, urban 0.4%, industrial 0.1%, and South Island irrigation 0.01%). The trend of thermal capacity rationalisation continued with the confirmation from Genesis on 29 June that it would be permanently retiring a second 250MW Hunty coal/gas unit.

Despite these trends, ASX futures prices were down by \$18.25/MWh for FY2016 and \$6.73/MWh for FY2017 since the end of March reflecting a recovery in national hydro storage during the fourth quarter of FY2015, decreased perceived dry-year risk priced into future years, and the on-going speculation about the level of future demand from Tiwai Point aluminium smelter.

### HYDRO UP 6% FOR THE PERIOD, BUT DOWN 170GWh FOR THE FULL YEAR

Hydro production was 864GWh for the period, up 6% on pcp, with inflows for the quarter being 112% of average – the first quarter in two years that there has been inflows at or above average into the Waikato catchment. Despite higher inflows for Q4, inflows for FY2015 were just 85% of average and hydro generation for the FY2015 year was the lowest in the Company's history.

Total generation for the quarter was up 147GWh on pcp, with geothermal generation increasing by 54GWh to 723GWh. This was mainly due to higher production from both Nga Awa Purua and Ngatamariki – with increased fuel availability at Ngatamariki from a new well commissioned in October 2014. The increase on pcp at Nga Awa Purua was due to the two outages in FY2014 associated with stabilising the plant ahead of a planned outage in July/August 2015 for the rotor replacement, that will increase production at the plant.

Gas-fired generation from Southdown was up 44GWh on pcp, largely reflecting the Company's virtual peaker contract, and the use of take-or-pay gas ahead of the station's closure on 31 December 2015.

### ENERGY PRICES FLAT FOR THE QUARTER, SLIGHTLY DOWN YEAR ON YEAR

The average electricity sales price to residential and commercial customers for the quarter was \$122.22/MWh, which was consistent with pcp. The price reduced slightly from \$117.70/MWh in FY2014 to \$117.21/MWh in FY2015, as the Company continues to absorb annual increases in line charges for the one third of its customers on two and three year fixed-price contracts.

Mighty River Power will release its financial results for the 12 months ended 30 June 2015 on 28 August 2015 ■



## OPERATING STATISTICS

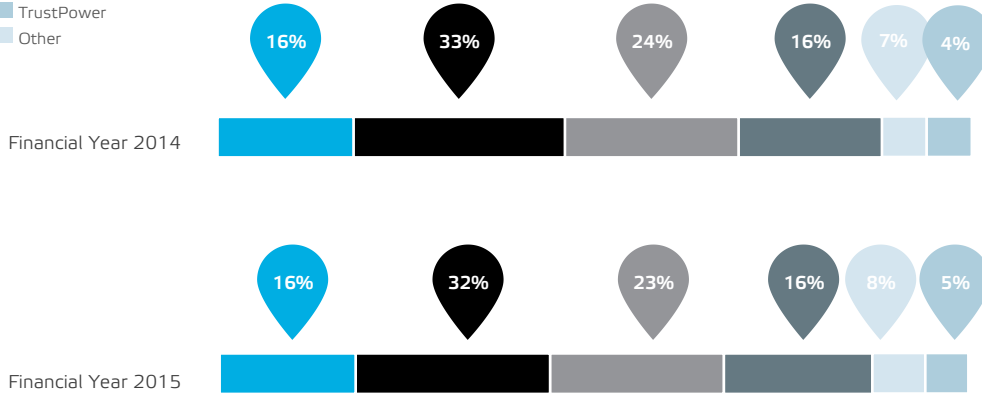
Operating Information	Three months ended 30 June 2015		Three months ended 30 June 2014		Twelve months ended 30 June 2015		Twelve months ended 30 June 2014	
	VWAP <sup>1</sup> (\$/MWh)	Volume (GWh)	VWAP <sup>1</sup> (\$/MWh)	Volume (GWh)	VWAP <sup>1</sup> (\$/MWh)	Volume (GWh)	VWAP <sup>1</sup> (\$/MWh)	Volume (GWh)
<b>Electricity Sales</b>								
FPVV sales to customers	122.22	1,109	122.17	1,185	117.21	4,486	117.70	4,844
FPVV sales to residential customers		667		639		2,497		2,449
FPVV sales to business customers		442		546		1,989		2,395
FPVV purchases from market		1,168		1,244		4,717		5,086
Spot customer purchases		335		340		1,387		1,572
<b>Total NZEM Purchases</b>	<b>65.11</b>	<b>1,503</b>	<b>73.80</b>	<b>1,584</b>	<b>76.26</b>	<b>6,104</b>	<b>71.16</b>	<b>6,658</b>
<b>Electricity Customers (000's)</b>								
North Island Customers	382		382		382		382	
North Island Customers	348		347		348		347	
South Island Customers	34		35		34		35	
Dual Fuel Customers	40		40		40		40	
<b>Contracts for Difference</b>		<b>Volume (GWh)</b>		<b>Volume (GWh)</b>		<b>Volume (GWh)</b>		<b>Volume (GWh)</b>
Buy CfD		412		493		1,697		2,230
Sell CfD		876		733		3,383		3,255
End User CfD		392		424		1,623		1,976
Net Sell CfD <sup>2</sup>		464		240		1,686		1,025
<b>Electricity Generation</b>	<b>VWAP (\$/MWh)</b>	<b>Volume (GWh)</b>	<b>VWAP (\$/MWh)</b>	<b>Volume (GWh)</b>	<b>VWAP (\$/MWh)</b>	<b>Volume (GWh)</b>	<b>VWAP (\$/MWh)</b>	<b>Volume (GWh)</b>
Hydro	66.76	864	74.21	815	77.82	3,327	74.86	3,497
Gas	89.08	75 <sup>6</sup>	94.43	31	84.58	464 <sup>6</sup>	86.13	125
Geothermal (consolidated) <sup>3</sup>	58.70	670	67.33	609	70.63	2,545	66.68	2,451
Geothermal (equity accounted) <sup>4</sup>	61.24	53	69.48	60	71.94	227	68.91	222
<b>Total</b>	<b>64.34</b>	<b>1,661</b>	<b>71.67</b>	<b>1,515</b>	<b>75.30</b>	<b>6,563</b>	<b>71.69</b>	<b>6,295</b>
<b>LWAP/GWAP</b>		1.01		1.03		1.01		0.99
<b>Gas Purchases</b>	<b>\$/GJ</b>	<b>PJ</b>	<b>\$/GJ</b>	<b>PJ</b>	<b>\$/GJ</b>	<b>PJ</b>	<b>\$/GJ</b>	<b>PJ</b>
Retail purchases <sup>5</sup>	9.25	0.31	8.82	0.29	9.22	1.08	8.96	1.02
Generation purchases	5.90	0.88	5.22	0.44	5.90	4.72	7.92	1.72
<b>Carbon Emissions ('000 tonnes CO<sub>2</sub>e)</b>		125 <sup>6</sup>		104		647 <sup>6</sup>		427
<b>Metrix AMI Meters ('000)</b>		388		342		388		324

1. VWAP is volume weighted average energy only price sold to FPVV customers after lines, metering and fees
2. Includes Virtual Asset Swap volumes in both Buy and Sell CfD volumes of 174GWh for the 3 months ended 30 June 2015 and 174GWh for the 3 months ended 30 June 2014 and of 699GWh for the twelve months ended 30 June 2015 and 674GWh for the twelve months ended 30 June 2014
3. Includes Mighty River Power's 65% share of Nga Awa Purua generation
4. Tuaropaki Power Company (Mokai) equity share
5. Prices exclude fixed transmission charges
6. Includes the virtual peaker operation of 28GWh for the 3 months ended 30 June 2015 and 150GWh for the twelve months ended 30 June 2015

**MARKET DATA**

**ELECTRICITY GENERATION BY COMPANY FOR THE TWELVE MONTHS ENDED 30 JUNE**

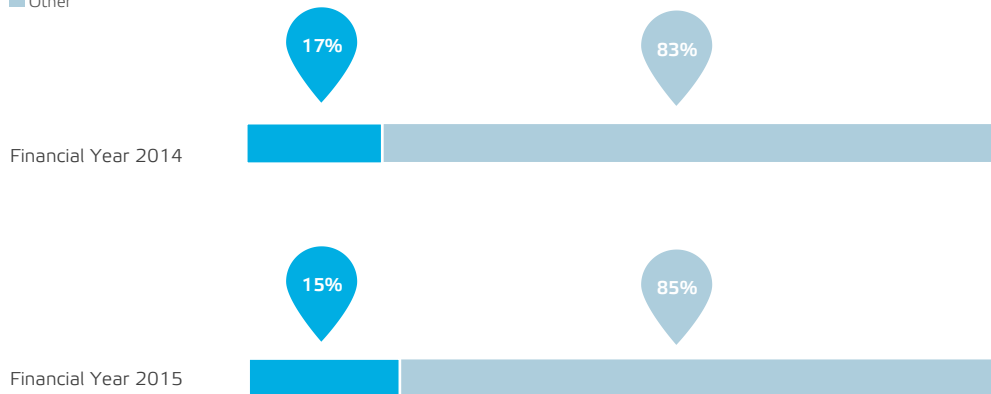
- Mighty River Power
- Meridian Energy
- Contact Energy
- Genesis Energy
- TrustPower
- Other



Source: Electricity Authority Centralised Dataset, Transpower SCADA

**SHARE OF ELECTRICITY SALES (GWh) FOR THE TWELVE MONTHS ENDED 30 JUNE**

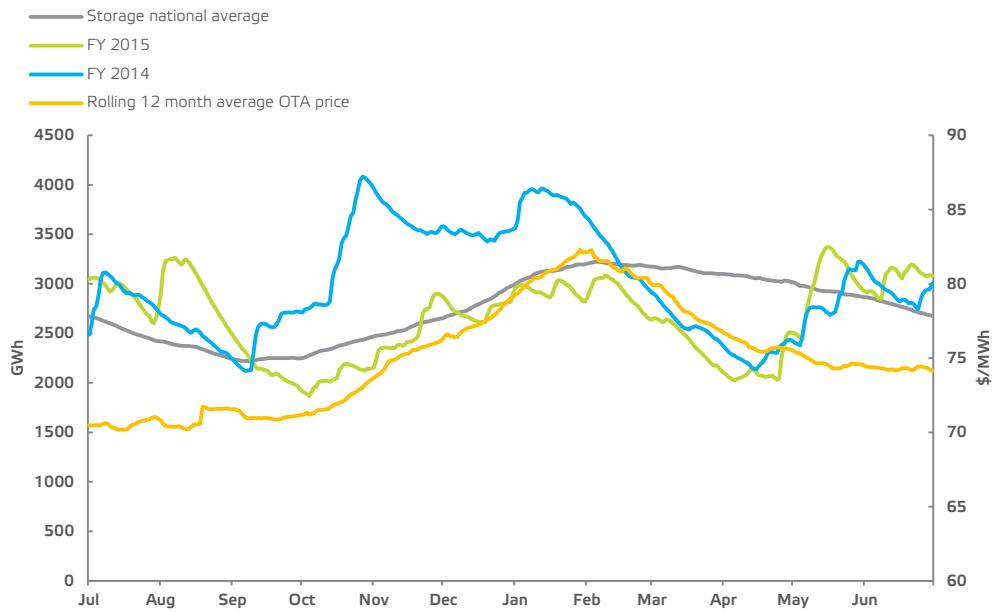
- Mighty River Power
- Other



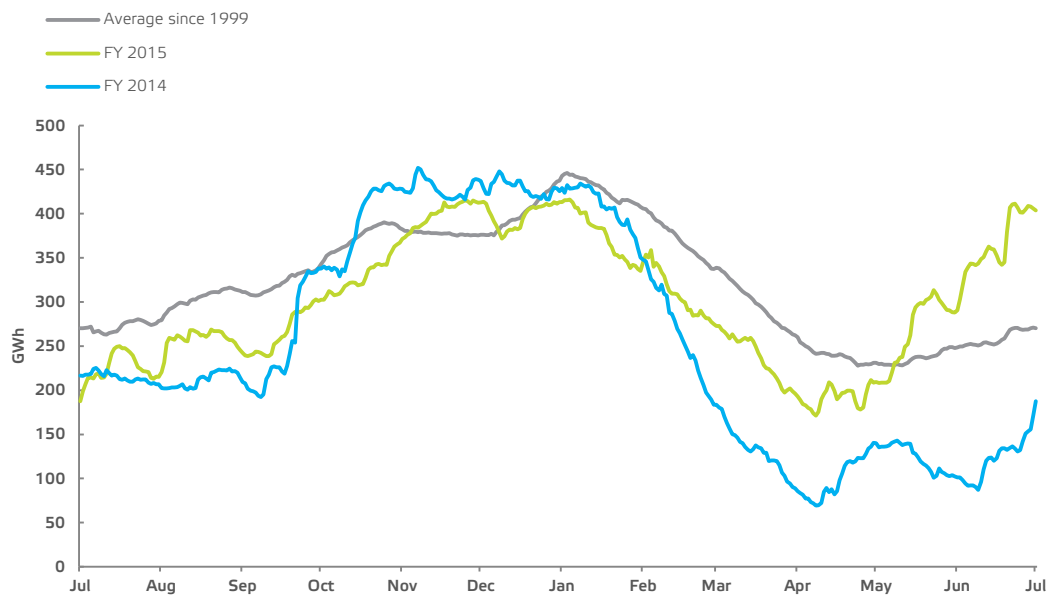
Source: Mighty River Power Purchases and Transpower SCADA



### OTAHUHU WHOLESALE PRICE AND NATIONAL HYDRO STORAGE LEVELS



### TAUPO STORAGE



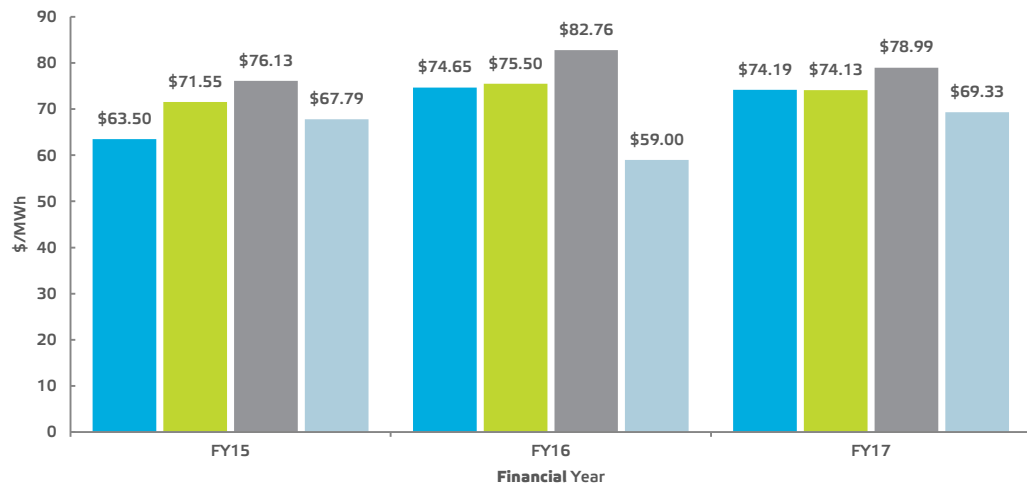
### ▶ OTAHUHU ASX FUTURES SETTLEMENT PRICE

- As at 30 June 2014
- As at 31 December 2014
- As at 31 March 2015
- As at 30 June 2015



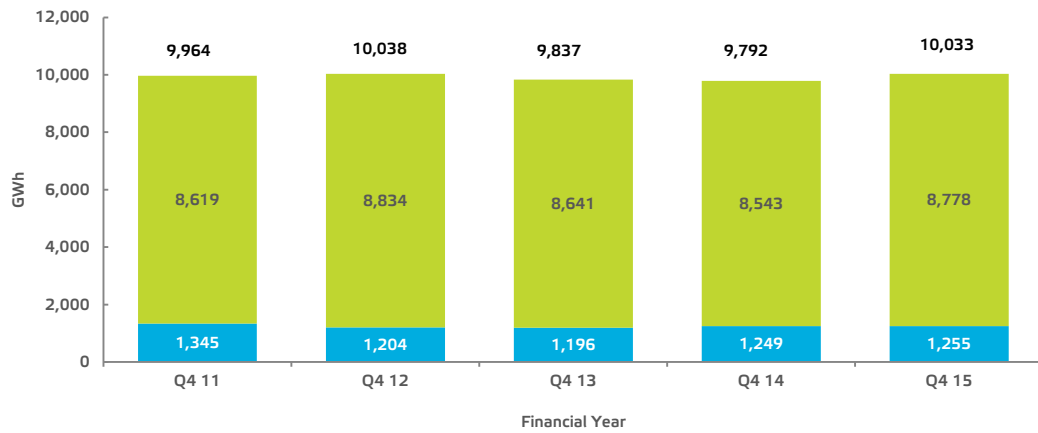
### ▶ BENMORE ASX FUTURES SETTLEMENT PRICE

- As at 30 June 2014
- As at 31 December 2014
- As at 31 March 2015
- As at 30 June 2015



## NATIONAL CONSUMPTION

■ Tiwai Point Aluminium Smelter consumption  
■ National consumption



Source: Transpower Information Exchange

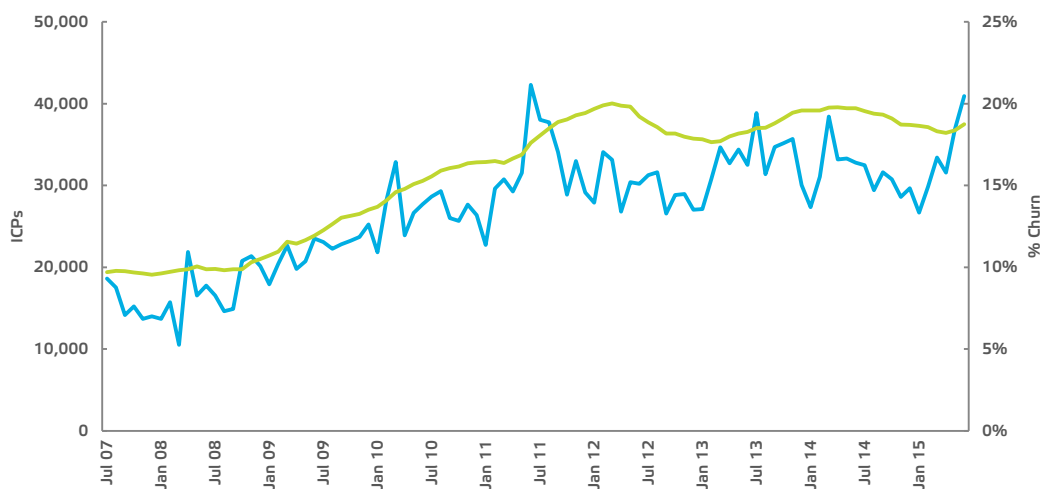
## NATIONAL CLIMATE SUMMARY

Financial Year	Q1	Q2	Q3	Q4
2015	11.9° C	15.9° C	19.9° C	14.3° C
2014	12.3° C	16.7° C	18.9° C	14.8° C
2013	12.3° C	16.5° C	19.6° C	14.4° C
2012	11.5° C	16.6° C	18.9° C	14.0° C
Historical Average (since 1999)	11.9° C	16.1° C	19.4° C	14.2° C

Source: NIWA, Met Service

## MONTHLY TOTAL CONSUMER RETAIL SWITCHING (ICPS)

— NZ Market Churn  
— Annual NZ Market Churn %



Source: Electricity Authority