



# Quarterly Operational Update

Three months ended 30 September 2015

## ▶ QUARTERLY HIGHLIGHTS

**41** ↑  
%

**INCREASE IN HYDRO GENERATION**  
due to high inflows during the quarter

**1.9** ↑  
%

**ELECTRICITY DEMAND** up 1.9%, the fifth consecutive quarter where demand has increased on pcp

**19** ↓  
%

**DECREASE IN WHOLESALE PRICES**  
due to above average national hydro storage

## ▶ COMMENTARY

### TOTAL GENERATION UP 17%; WHOLESALE PRICES DOWN

Mighty River Power's operating statistics for the quarter to 30 September 2015 show a lift in total generation of 17%, up 308GWh on pcp to 2,099GWh. During this time the Company's hydro generation was up 379GWh (1,308GWh in total), an increase of 41% compared with the same period last year due to high inflows into the Waikato catchment that were 111% of average. The quarter ended with storage in Lake Taupo of 451GWh, 78% full and 131% of average. National hydro storage was also above average for the period, leading to lower wholesale electricity pricing, which meant the price the Company received for generation was down 19% on pcp to \$55.07/MWh. Relative hydro yields fell versus the pcp due to a flatter generation profile with higher volumes and lower wholesale price volatility.

Geothermal generation was down slightly on pcp due to the 21-day shut at Nga Awa Purua to replace the turbine. The plant had been running at about 10MW below capacity since December 2013.

### NATIONAL DEMAND GROWTH CONTINUES; ASX PRICES LIFT

National demand for electricity increased 1.9% compared with the same period last year (0.9% when adjusting for lower temperatures), which was mainly attributable to higher electricity usage in urban centres (commercial and residential) and for milk production. This is the fifth consecutive quarter of demand growth on pcp.

ASX futures prices were up slightly for FY2016 – FY2018 over the quarter. 2019 calendar year futures were listed for the first time in October. FY2019 Otahuhu futures are currently trading at \$3.25/MWh above the FY2018 price.

### ENERGY PRICES DOWN 1.5%; VOLUMES DOWN 6%

The average electricity sales price to residential and commercial customers was \$119.24/MWh, down 1.5% on pcp. This was in part due to Mighty River Power absorbing increases in lines and transmission costs for the third of its customers on fixed-price contracts.

While residential sales volumes increased on pcp, overall customer sales volumes were down 6% as the Company continued to reduce sales volumes in the low price, low margin commercial market (down 17%). A reduction in customer numbers also reflects the highly-competitive commercial market and the Company's declining commercial book where contracts had historically higher yields.

Mighty River Power will release its financial results for the 6 months ended 31 December 2015 on 23 February 2016 ■



## OPERATING STATISTICS

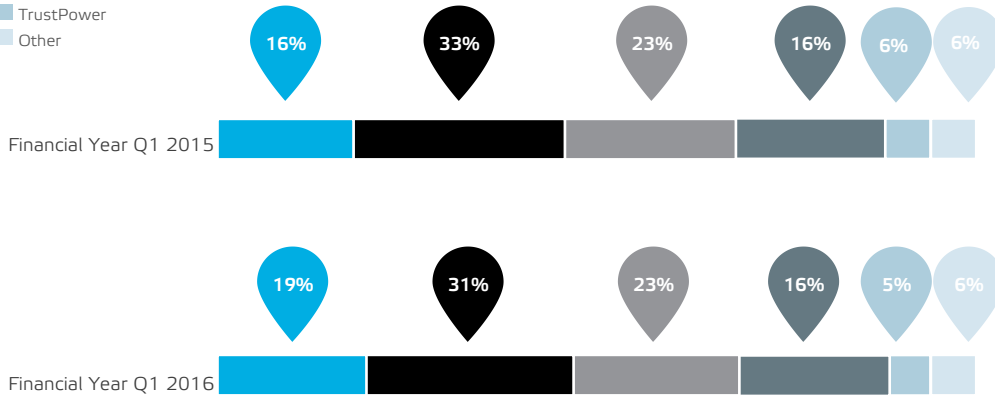
Operating Information	Three months ended 30 September 2015		Three months ended 30 September 2014	
	VWAP <sup>1</sup> (\$/MWh)	Volume (GWh)	VWAP <sup>1</sup> (\$/MWh)	Volume (GWh)
<b>Electricity Sales</b>				
FPVV sales to customers	119.24	1,253	121.06	1,332
FPVV sales to residential customers		786		768
FPVV sales to business customers		467		564
FPVV purchases from market		1,323		1,398
Spot customer purchases		287		359
<b>Total NZEM Purchases</b>	<b>57.70</b>	<b>1,610</b>	<b>68.21</b>	<b>1,758</b>
<b>Electricity Customers ('000's)</b>				
North Island Customers	381		384	
South Island Customers	346		349	
South Island Customers	35		35	
Dual Fuel Customers	42		40	
<b>Contracts for Difference</b>		<b>Volume (GWh)</b>		<b>Volume (GWh)</b>
Buy CfD		471		425
Sell CfD		1,026		897
End User CfD		392		429
Net Sell CfD <sup>2</sup>		555		472
<b>Electricity Generation</b>	<b>VWAP (\$/MWh)</b>	<b>Volume (GWh)</b>	<b>VWAP (\$/MWh)</b>	<b>Volume (GWh)</b>
Hydro	55.91	1,308	72.53	929
Gas	64.93	101 <sup>6</sup>	71.27	157 <sup>6</sup>
Geothermal (consolidated) <sup>3</sup>	51.99	631	61.54	644
Geothermal (equity accounted) <sup>4</sup>	52.53	59	62.39	61
<b>Total</b>	<b>55.07</b>	<b>2,099</b>	<b>68.12</b>	<b>1,791</b>
<b>LWAP/GWAP</b>		1.05		1.00
<b>Gas Purchases</b>	<b>\$/GJ</b>	<b>PJ</b>	<b>\$/GJ</b>	<b>PJ</b>
Retail purchases <sup>5</sup>	9.22	0.42	9.23	0.41
Generation purchases	7.63	1.16	8.07	1.42
<b>Carbon Emissions ('000 tonnes CO<sub>2</sub>e)</b>		151		166
<b>Metrix AMI Meters ('000)</b>		393		351

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 176.1GWh for the 3 months ended 30 September 2015 and 176.1GWh for the 3 months ended 30 September 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 16GWh for the 3 months ended 30 September 2015 and 14GWh for the 3 months ended 30 September 2014

**MARKET DATA**

**ELECTRICITY GENERATION BY COMPANY FOR THE THREE MONTHS ENDED 30 SEPTEMBER**

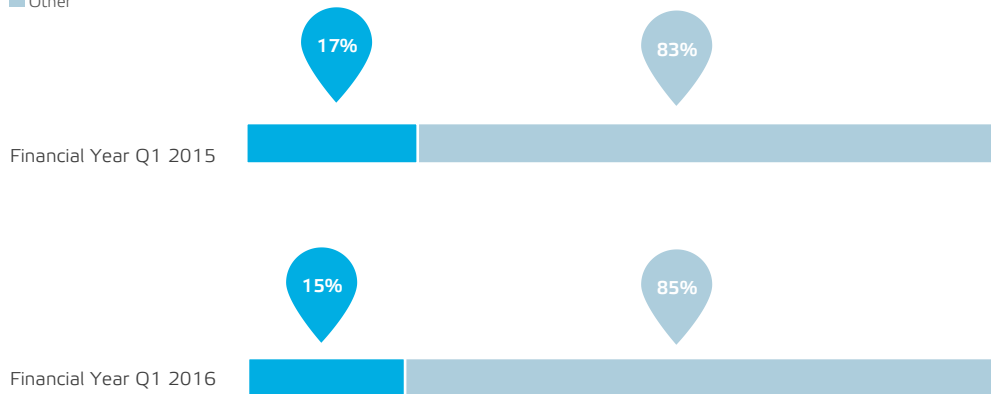
- Mighty River Power
- Meridian Energy
- Contact Energy
- Genesis Energy
- TrustPower
- Other



Source: Electricity Authority Centralised Dataset, Transpower SCADA

**SHARE OF ELECTRICITY SALES (GWh) FOR THE THREE MONTHS ENDED 30 SEPTEMBER**

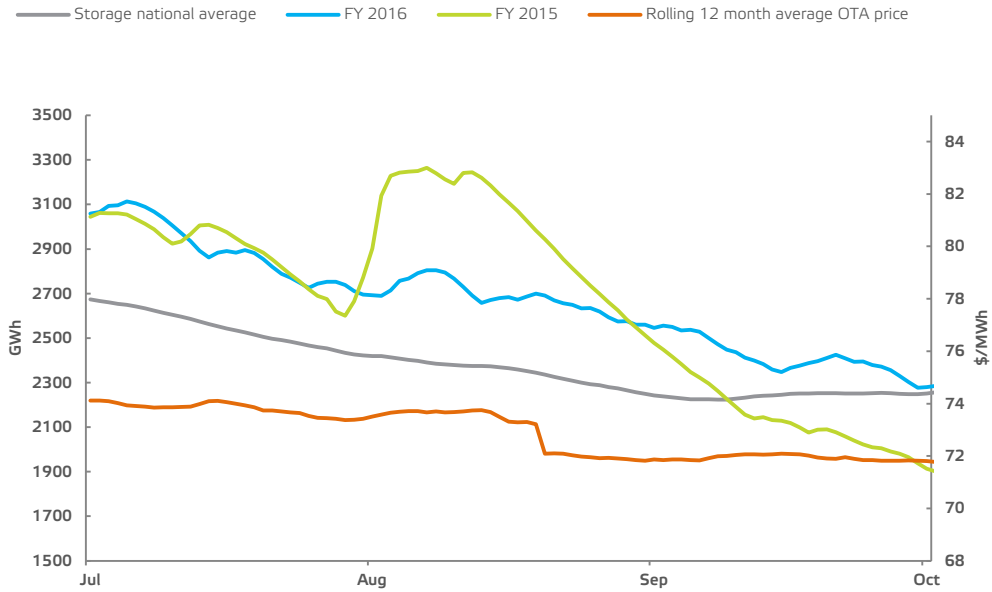
- Mighty River Power
- Other



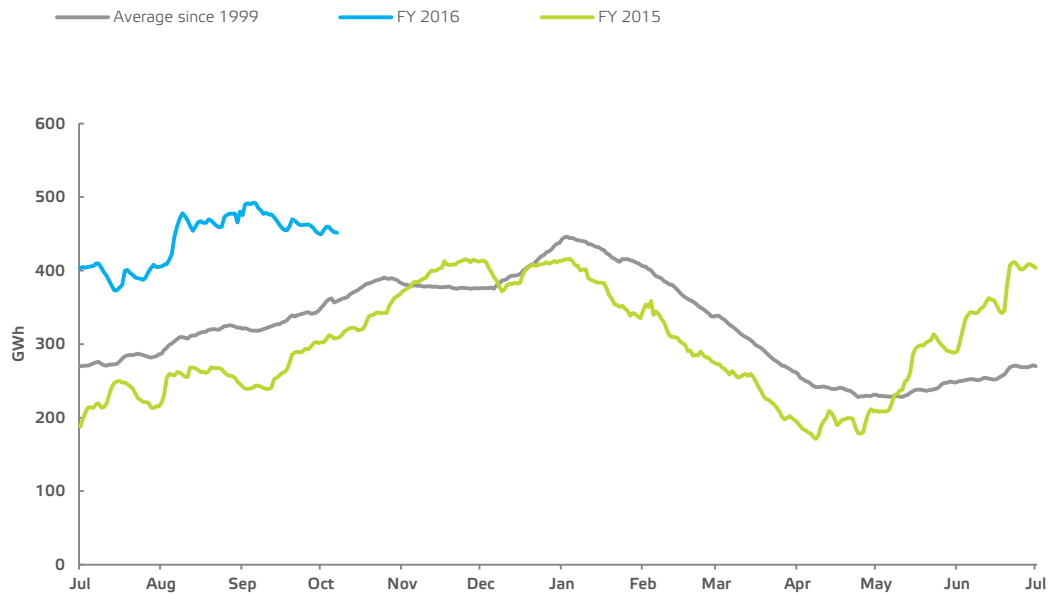
Source: Mighty River Power Purchases and Transpower SCADA



## OTAHUHU WHOLESALE PRICE AND NATIONAL HYDRO STORAGE LEVELS



## TAUPO STORAGE



### ▶ OTAHUHU ASX FUTURES SETTLEMENT PRICE

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

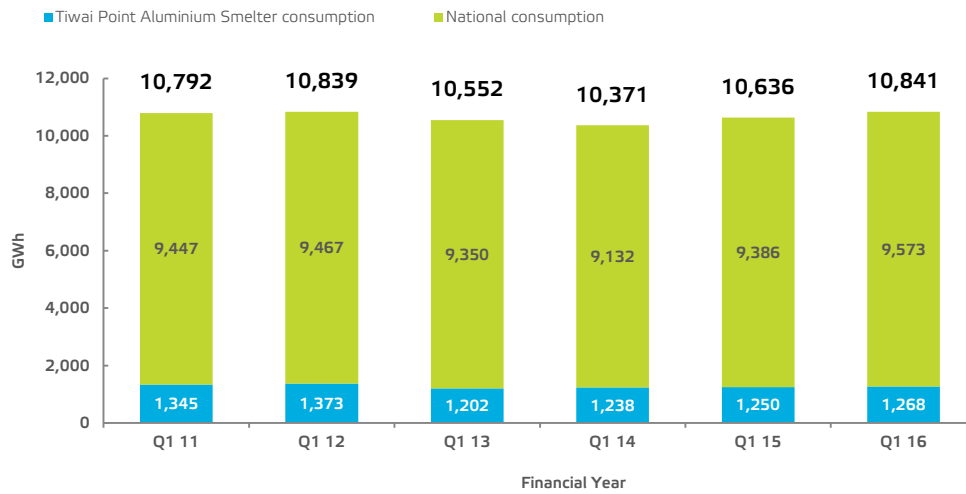


### ▶ BENMORE ASX FUTURES SETTLEMENT PRICE

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



## NATIONAL CONSUMPTION



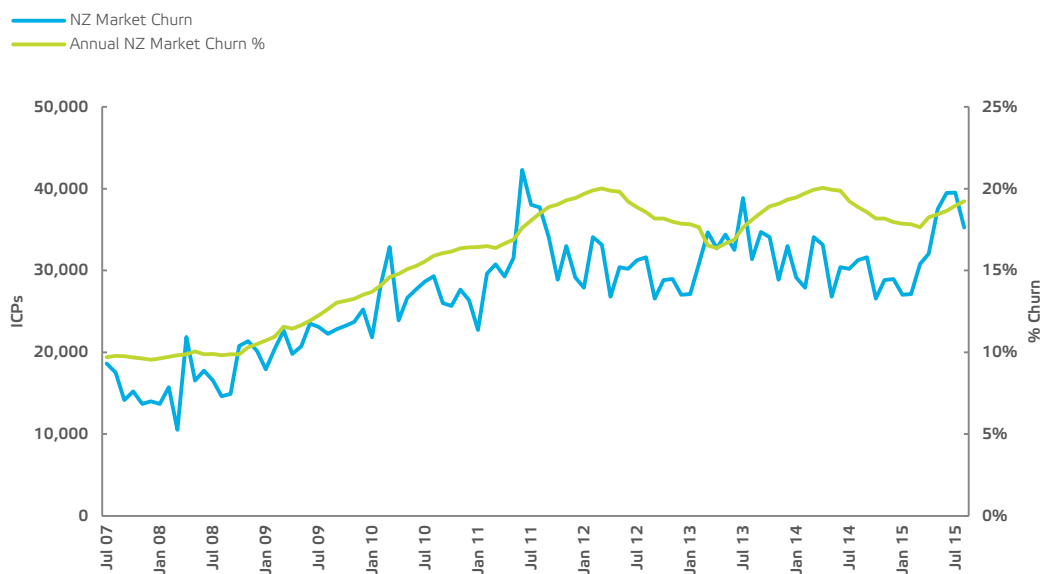
Source: Transpower Information Exchange

## NATIONAL CLIMATE SUMMARY

Financial Year	Q1	Q2	Q3	Q4
2016	11.4° C	n/a	n/a	n/a
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)



Source: Electricity Authority