



# Quarterly Operational Update

Three months ended 31 December 2015

## ▶ QUARTERLY HIGHLIGHTS

**98** ↑  
%

**GEOTHERMAL AVAILABILITY** led to the highest geothermal generation for a quarter in the Company's history

**10** ↑  
%

**INCREASE IN HYDRO GENERATION** despite weak inflows

**2** ↑  
%

**INCREASE IN LWAP/GWAP** reflecting a reduction in relative hydro yields due to muted wholesale price volatility

## ▶ COMMENTARY

### GEOTHERMAL AND HYDRO GENERATION UP; WHOLESALE PRICES DOWN

The quarter to 31 December 2015 reflected strong geothermal performance as Mighty River Power had its highest-ever quarter of geothermal generation, up 12% on the prior comparable period (pcp), to 728GWh. This high geothermal generation reflected 98% availability of the Company's geothermal plants during the quarter.

The period also saw a 10% lift in hydro generation, up 81GWh on pcp to 907GWh. The wet winter turned into a dry spring in the catchment with quarterly inflows being the seventh lowest based on history since 1927. The quarter ended with storage in Lake Taupo of 387GWh, 67% full and 89% of average.

National hydro storage was above average for most of the quarter, leading to lower wholesale electricity prices. The price the Company received for generation was down 13% on pcp to \$67.91/MWh. Relative hydro yields (GWAP) also fell versus pcp contributing to an increase in LWAP/GWAP by 2% to 1.03. This was due to a flatter generation profile in response to lower wholesale price volatility.

There was a significant decrease in thermal generation for the period as the Company prepared its Southdown station for closure on 31 December 2015. Mighty River Power's electricity generation is now 100% renewable.

### NATIONAL DEMAND GROWTH CONTINUES - RECORD FOR Q2; ASX PRICES LIFT

National demand for electricity rose to the highest level for Q2 on record, up 0.9% compared with the same period last year (adjusted for temperature). This is the sixth consecutive quarter where demand has increased on pcp, with a reduction in demand from urban centres being more than off-set by increases across dairy, irrigation, industrial and rural centres.

Throughout the quarter, ASX futures prices increased for each year from FY16 to FY18. This continuation of an upward trend increases the attractiveness of commercial yields, which tend to track the ASX futures.

### ENERGY PRICES DOWN 1.5%; VOLUMES DOWN 7%

A reduction in overall customer sales volumes reflects the highly competitive market across both residential and commercial. The average electricity price to customers was \$110.94/MWh, lower than pcp. This was due to additional discounted offers to customers and Mighty River Power absorbing increases in lines and transmission costs for its customers on fixed-price contracts.

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



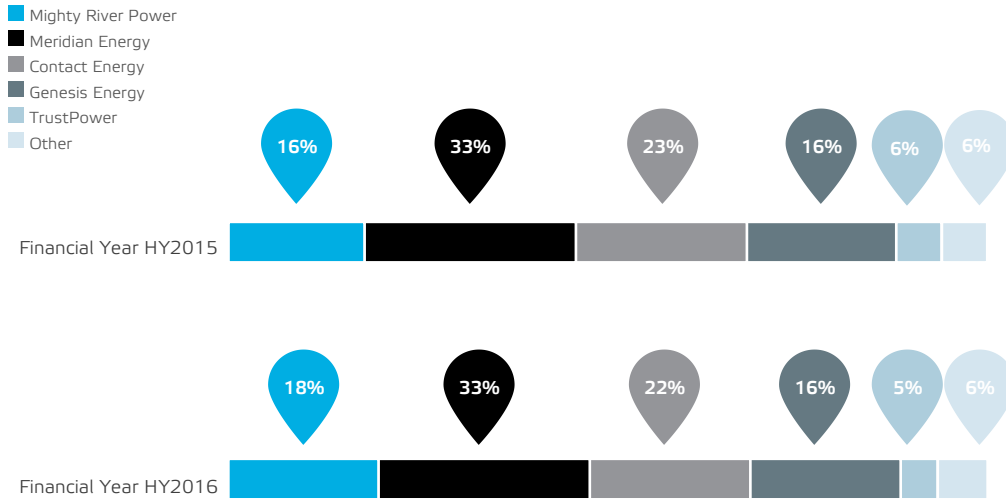
## OPERATING STATISTICS

Operating Information	Three months ended 31 December 2015		Three months ended 31 December 2014		Six months ended 31 December 2015		Six months ended 31 December 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	110.94	1,000	112.68	1,077	115.56	2,253	117.31	2,409
FPVV sales to residential customers		554		570		1,340		1,338
FPVV sales to business customers		446		506		913		1,070
FPVV purchases from market		1,056		1,134		2,380		2,532
Spot customer purchases		233		359		520		719
<b>Total NZEM Purchases</b>	<b>70.23</b>	<b>1,289</b>	<b>78.76</b>	<b>1,493</b>	<b>63.27</b>	<b>2,900</b>	<b>73.05</b>	<b>3,251</b>
<b>Electricity Customers ('000's)</b>								
North Island Customers		380		385				
South Island Customers		344		350				
Dual Fuel Customers		36		35				
		41		41				
<b>Contracts for Difference</b>		<b>Volume (GWh)</b>		<b>Volume (GWh)</b>		<b>Volume (GWh)</b>		<b>Volume (GWh)</b>
Buy CfD		458		469		929		894
Sell CfD		893		843		1,919		1,739
End User CfD		353		415		746		844
Net Sell CfD <sup>2</sup>		435		374		990		846
<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	69.36	907	79.51	826	61.41	2,215	75.82	1,755
Gas	76.74	46	82.69	138	68.62	146	76.60	294
Geothermal (consolidated) <sup>3</sup>	65.48	669	74.28	593	58.93	1,299	67.65	1,237
Geothermal (equity accounted) <sup>4</sup>	66.27	59	74.18	55	59.40	118	67.97	116
<b>Total</b>	<b>67.91</b>	<b>1,681</b>	<b>77.67</b>	<b>1,612</b>	<b>60.78</b>	<b>3,778</b>	<b>72.65</b>	<b>3,404</b>
<b>LWAP/GWAP</b>		1.03		1.01		1.04		1.01
<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>	9.14	0.20	9.16	0.21	9.19	0.61	9.21	0.61
Generation purchases	3.17	0.54 <sup>6</sup>	5.74	1.37	6.21 <sup>6</sup>	1.70	6.93	2.79
<b>Carbon Emissions ('000 tonnes CO<sub>2</sub>e)</b>		99		128		249		294
<b>Metrix AMI Meters ('000)<sup>7</sup></b>		389		359		389		359

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 176GWh for the 3 months ended 31 December 2015 and 176GWh for the 3 months ended 31 December 2014 and of 352GWh for the 6 months ended 31 December 2015 and 352GWh for the 6 months ended 31 December 2014
3. Includes Mighty River Power's 65% share of Nga Awa Purua generation
4. Tuaropaki Power Company (Moka) equity share
5. Prices exclude fixed transmission charges
6. Includes the virtual peaker operation of 33GWh for the 3 months ended 31 December 2015 and 44GWh for the 3 months ended 31 December 2014
7. Prior period numbers have been revised relative to prior disclosures to rectify a counting error

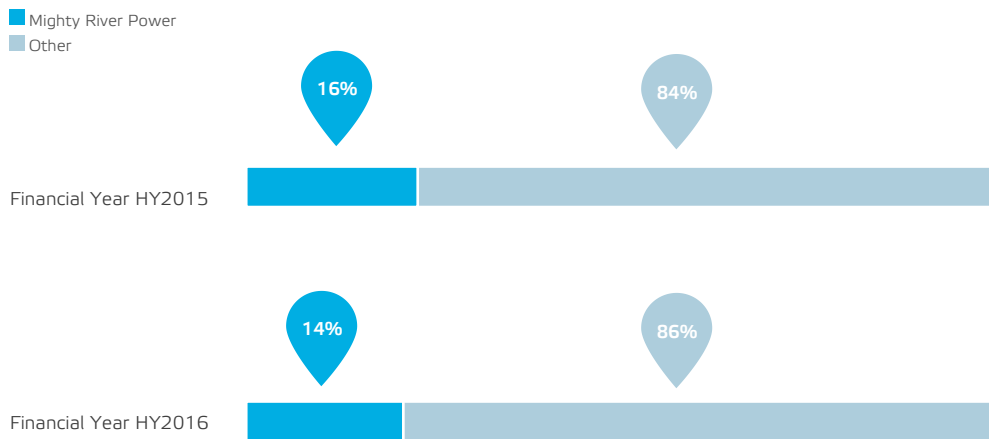
**MARKET DATA**

**ELECTRICITY GENERATION BY COMPANY FOR THE SIX MONTHS ENDED 31 DECEMBER**



Source: Electricity Authority

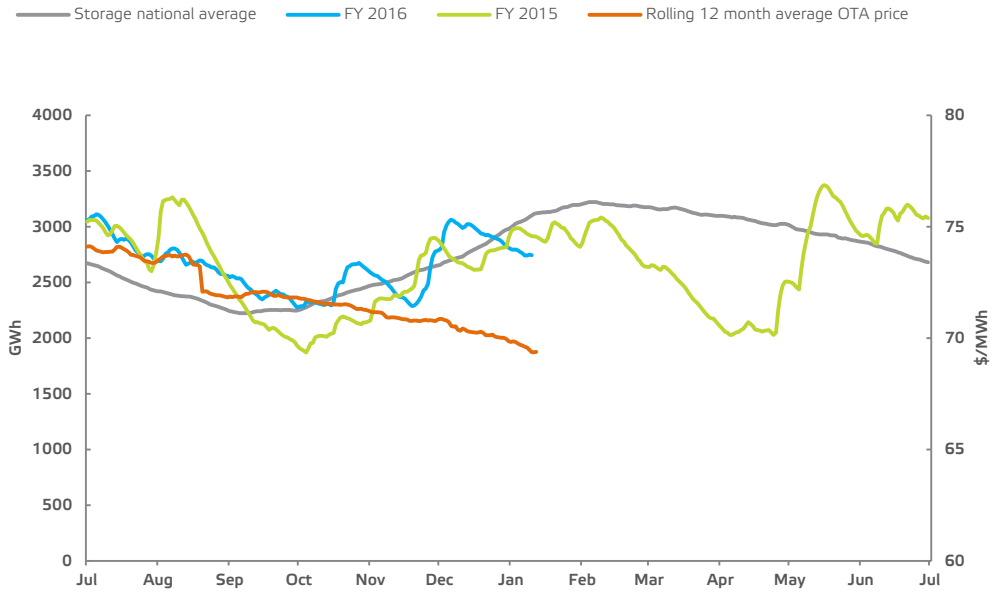
**SHARE OF ELECTRICITY SALES (GWh) FOR THE SIX MONTHS ENDED 31 DECEMBER**



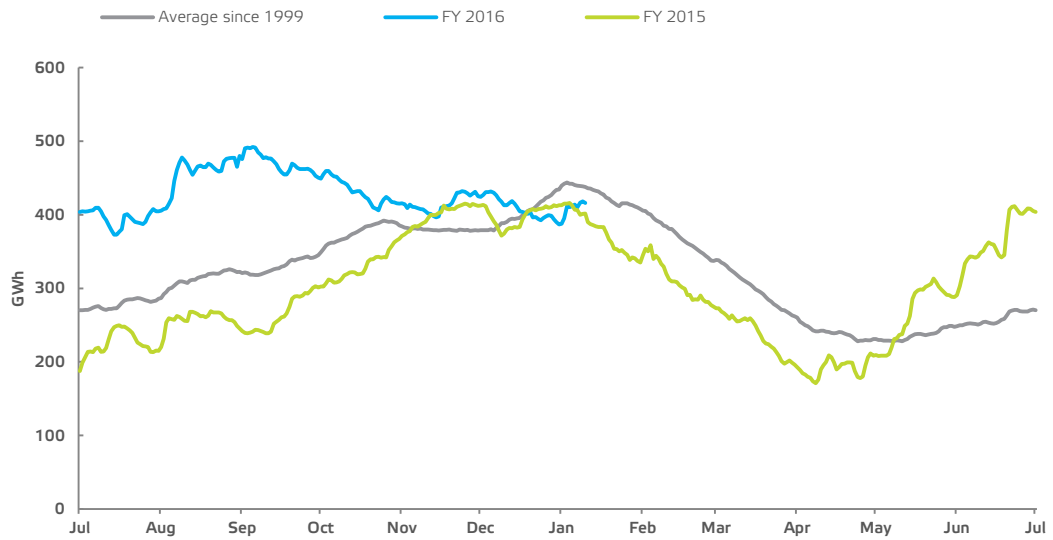
Source: Mighty River Power Purchases and Transpower SCADA



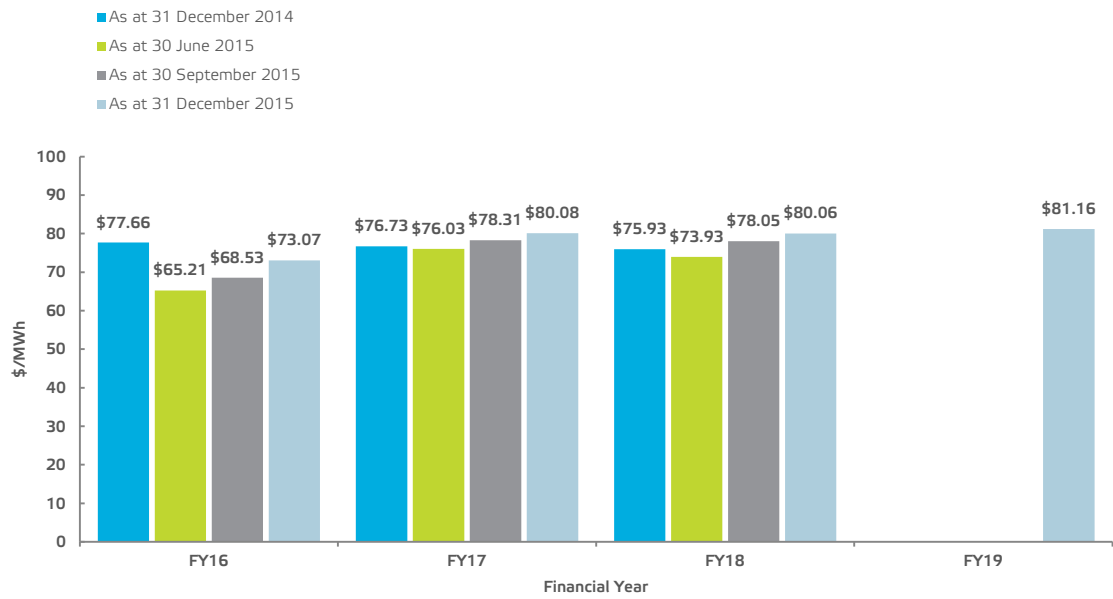
### OTAHUHU WHOLESALE PRICE AND NATIONAL HYDRO STORAGE LEVELS



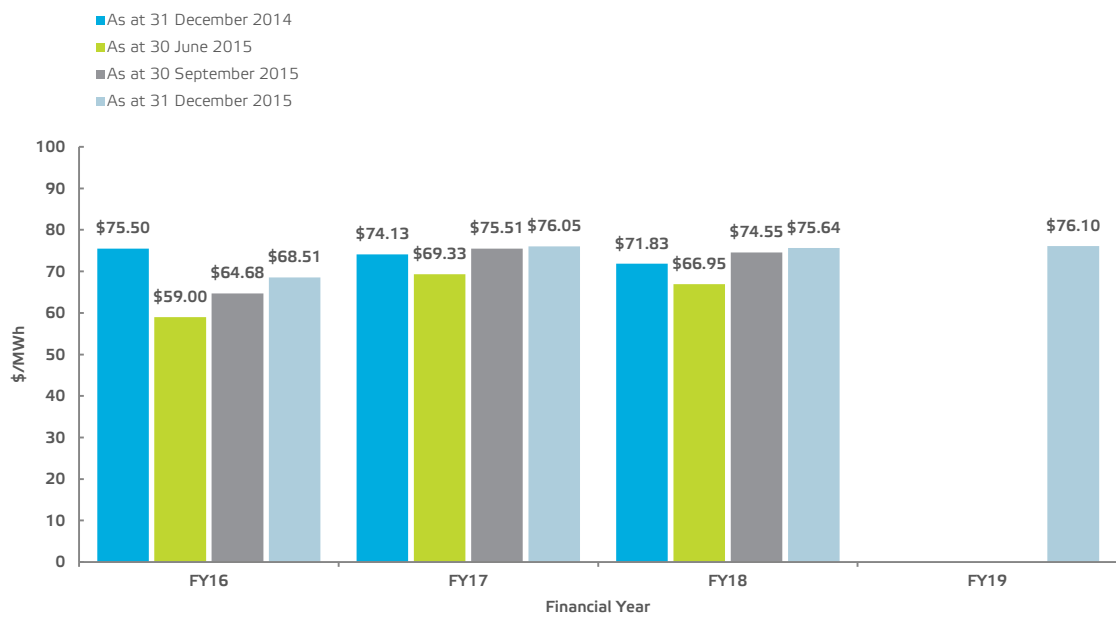
### TAUPO STORAGE



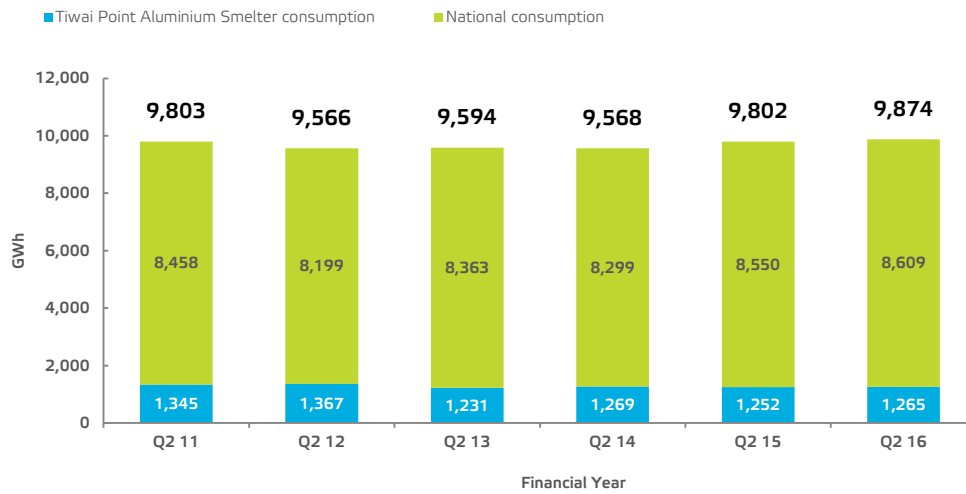
### ▶ OTAHUHU ASX FUTURES SETTLEMENT PRICE



### ▶ BENMORE ASX FUTURES SETTLEMENT PRICE



## NATIONAL CONSUMPTION



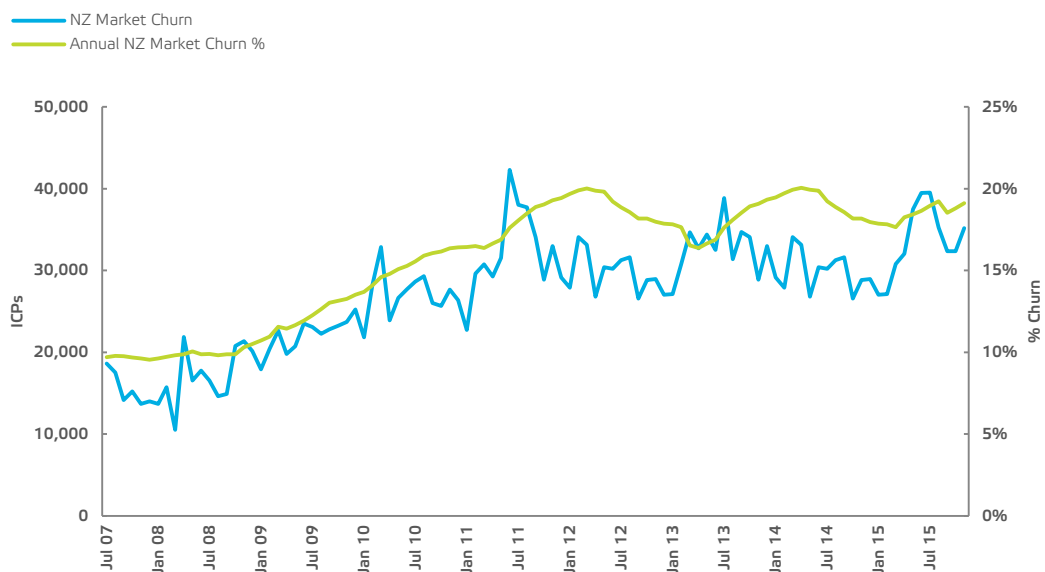
Source: Transpower Information Exchange

## NATIONAL CLIMATE SUMMARY

Financial Year	Q1	Q2	Q3	Q4
2016	11.4° C	16.0° C	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