

A monthly review of trends in the energy markets compiled by Energy Link Ltd

March 2011

ELL Index

**8.5 c/kWh**

(at Haywards)

#### Other Nodes

The index referenced to:

Otahuhu 8.7 c/kWh  
Benmore 8.1 c/kWh

#### Change

The index decreased by 4.2% since mid February.

#### Volume

Seven contracts (excluding ASX, and short term contracts) traded during the month, totaling 825 GWh over the period Apr-11 to Sep-15.

#### Contract Types

0 FPV (fixed price variable volume)  
7 CFD (contract for differences)

#### Spread

3.0 c/kWh Apr-11 to Mar-12

#### Location Factors

Expected location factors were updated in January's EnergyTrendz.

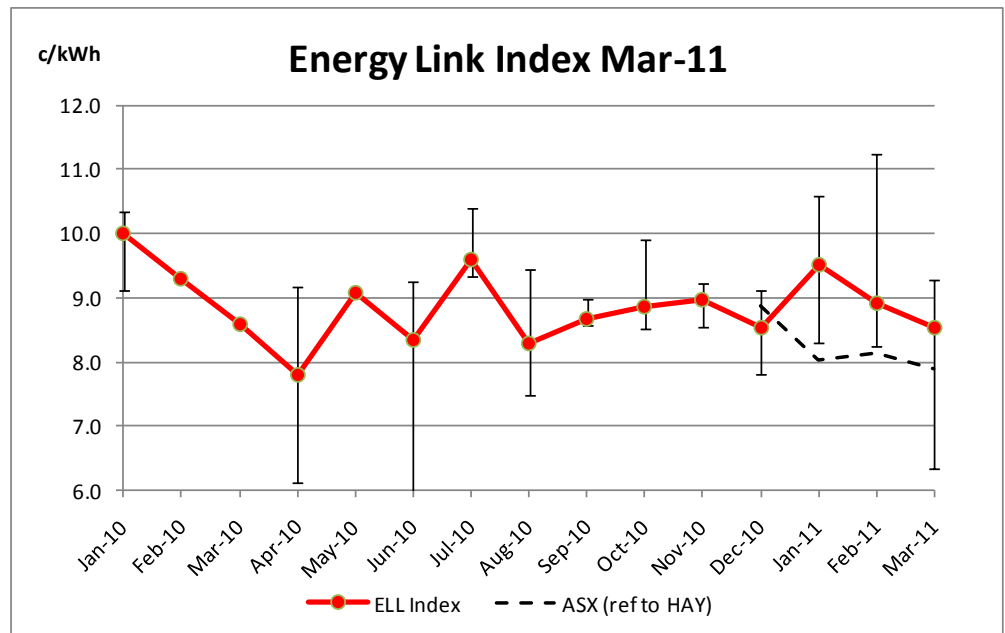
#### ASX Futures

Based on 3 year average 'previous settlement' dates for the :

Otahuhu 7.8 c/kWh  
Benmore 7.7 c/kWh

**ASX Prices** (referenced to Haywards) are now plotted on the chart.

## Energy Link Electricity Contract Index



The Energy Link Ltd (ELL) index chart shows the values over the 12 months up to the Energy Trendz publication date. All contracts are referenced to the **Haywards** reference node on the grid (lower North Island), and the error bars show the highest and lowest contract value in the 36 month period covered by the index. The index, and how to use it, are described in more detail at [www.energylink.co.nz/energy-trendz](http://www.energylink.co.nz/energy-trendz).

ASX New Zealand electricity futures contracts trading is increasing but the ASX futures contracts are not included in the index.

## Commentary

The **index decreased this month** on a volume of seven contracts traded (7 CFD, 0 FPV). The Energy Link index excludes contracts from EnergyHedge and ASX, and contracts less than 6 months in duration. As the chart on the back page shows, the total volume traded in late December was very large (this is likely to be generators undertaking government imposed swaps) but has fallen away through the new year.

The spread of prices making up the index was higher this month. Prices for the quarters varied from 6.3 c/kWh to 9.3 c/kWh when referenced to Haywards.

The volumes traded through **ASX** are generally increasing as it takes over as the key trading platform for electricity hedging.

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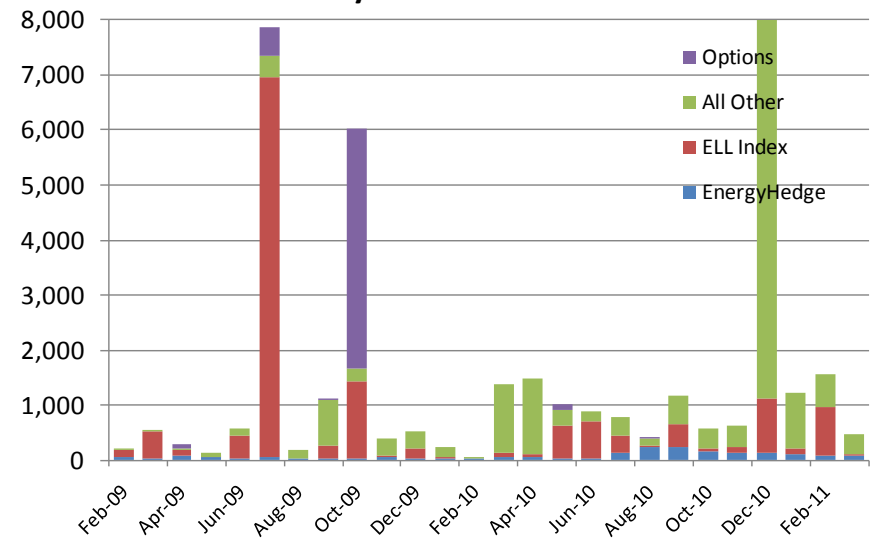
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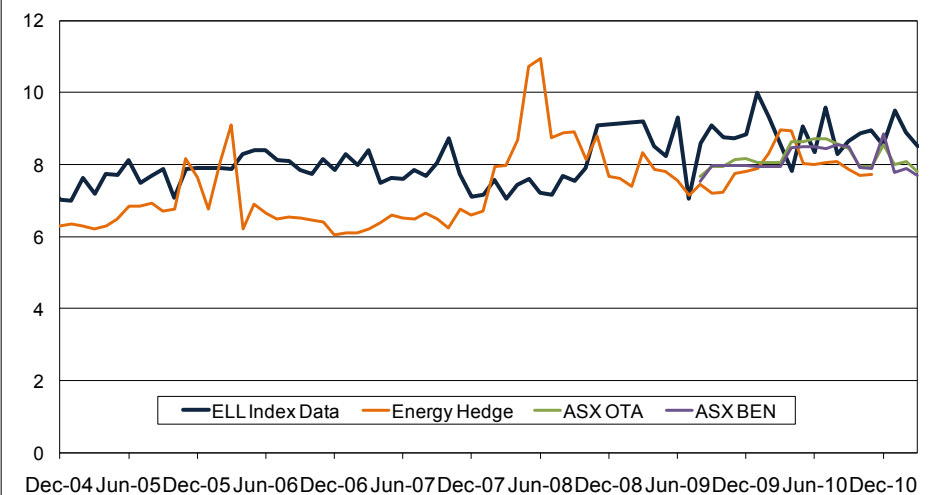
Links at [www.energylink.co.nz](http://www.energylink.co.nz):

- [Reduce energy costs](#)  
Phone 03 477 1349
- [Energy market analysis](#)  
Phone 03 479 2475
- [Training](#)  
Phone 03 479 2475

### Monthly Contract Volumes



### Historical Contract Price Indices

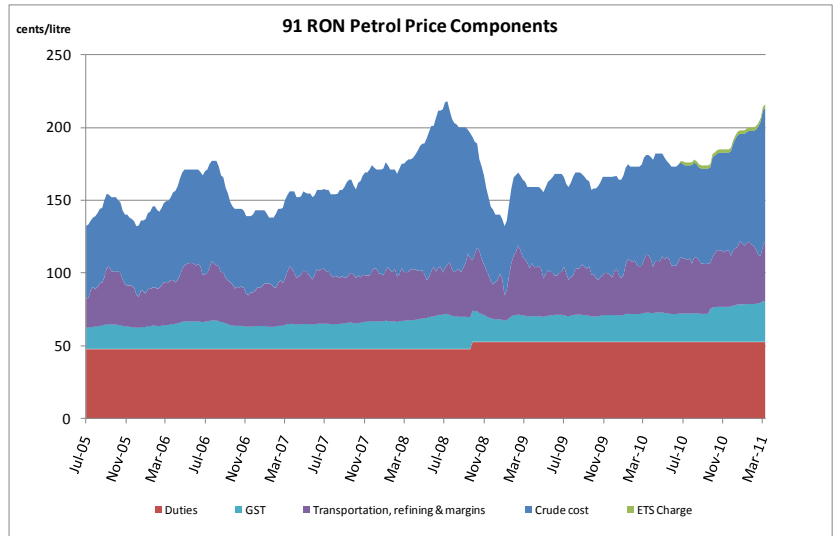


## Petrol Prices

The chart at right shows the price of 91 octane (91 RON = "research octane number") from July 2005, broken down into its 5 major components: government duties, GST, ETS, the cost of transporting and refining crude oil including the retailer's margin, and finally the spot price in NZD of crude oil on international markets. Duties, ETS and GST currently comprise 39% of the total at-pump cost (major centres) of 91, with the cost of crude at 43%.

The cost of crude increased by 10.3% over the month and the exchange rate decreased 5.2%, resulting in higher NZD crude costs. As a result of the higher crude costs and lower NZD, the price was 8.0% higher for the month.

More data is at [www.med.govt.nz](http://www.med.govt.nz).



## Plan your energy decisions with confidence

Have confidence in your energy strategy when you work with Energy Link: we're here to help you make the best energy-related decisions. We act as adviser and broker for initiating and renewing energy contracts including fixed price variable volume and hedging contracts. Our Ellserve energy information system captures energy invoices electronically, checks invoices, and provides access to data and reports from multiple suppliers on our secure web site. We make it easy to take action on energy, it's as simple as that!

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