

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

June 2011  
 ELL Index

**8.6 c/kWh**

(at Haywards)

#### Other Nodes

The index referenced to:

Otahuhu 8.5 c/kWh  
 Benmore 8.2 c/kWh

#### Change

The index decreased by 6.4% since mid May.

#### Volume

Twenty eight contracts (excluding ASX, and short term contracts) traded during the month, totaling 1409.9 GWh over the period Apr-11 to Aug-15.

#### Contract Types

16 FPV (fixed price variable volume)  
 12 CFD (contract for differences)

#### Spread

2.92 c/kWh Jun-11 to Aug-15

#### Location Factors

Expected location factors were updated in the previous edition of Energy Trendz.

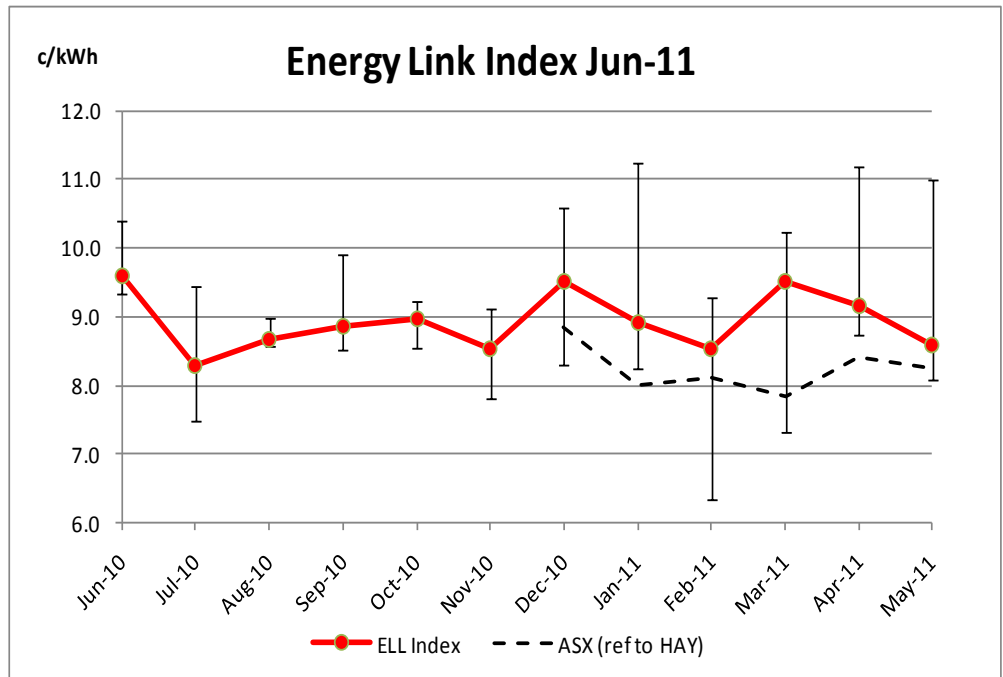
#### ASX Futures

Based on 3 year average 'previous settlement' dates for 2011 - 2014, as of 16th June:

Otahuhu **8.1 c/kWh**  
 Benmore **8.0 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 twenty eight contracts traded (12 CFD, 16 FPV). The Energy Link index excludes contracts from ASX, and contracts less than 6 months in duration. As the chart on the back page shows, the total volume traded in late December-10, and to a lesser extent in May-11, was very large (this is likely to be generators undertaking government imposed swaps). The intervening months illustrate more typical trading volumes for the period.

The spread of prices making up the index was lower this month. Prices for the quarters varied from 8.09 c/kWh to 11.01 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. With new data becoming available, this month marks the start of tracking contracts traded on the ASX in the Monthly Contract Volumes chart.

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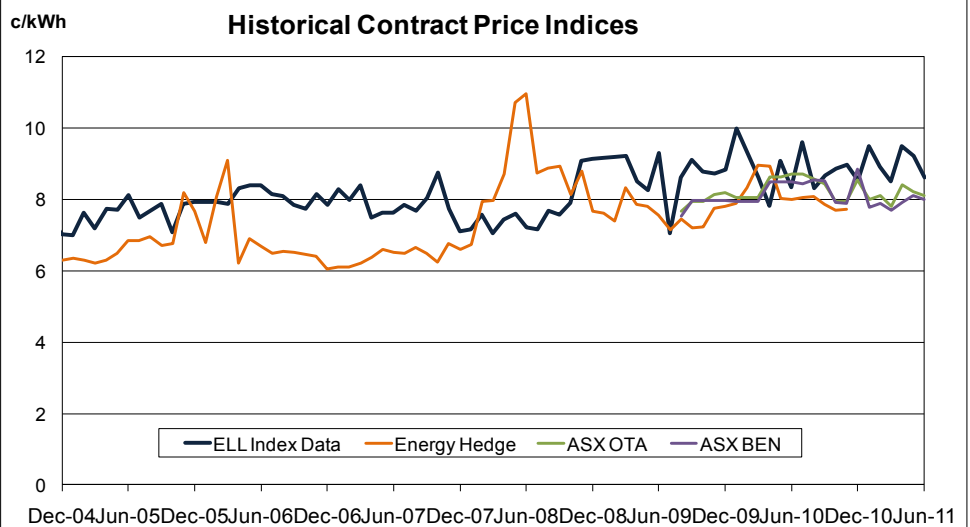
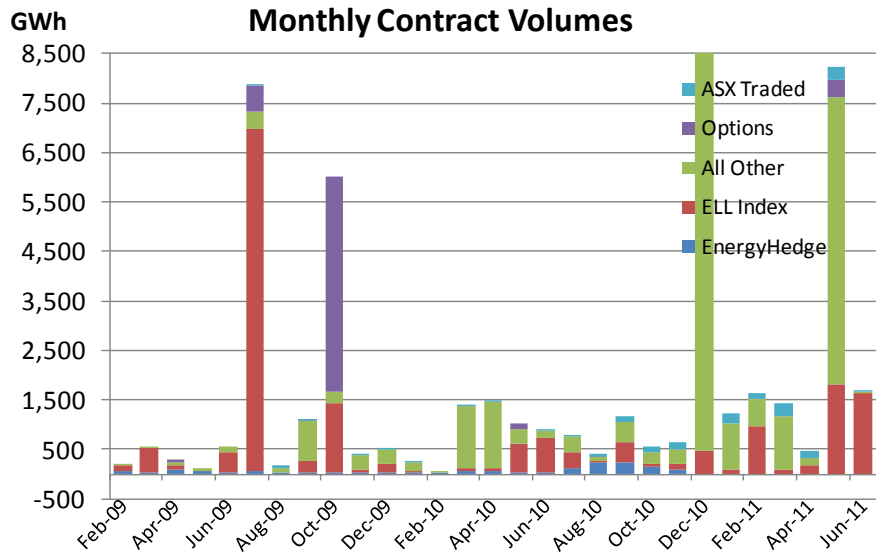
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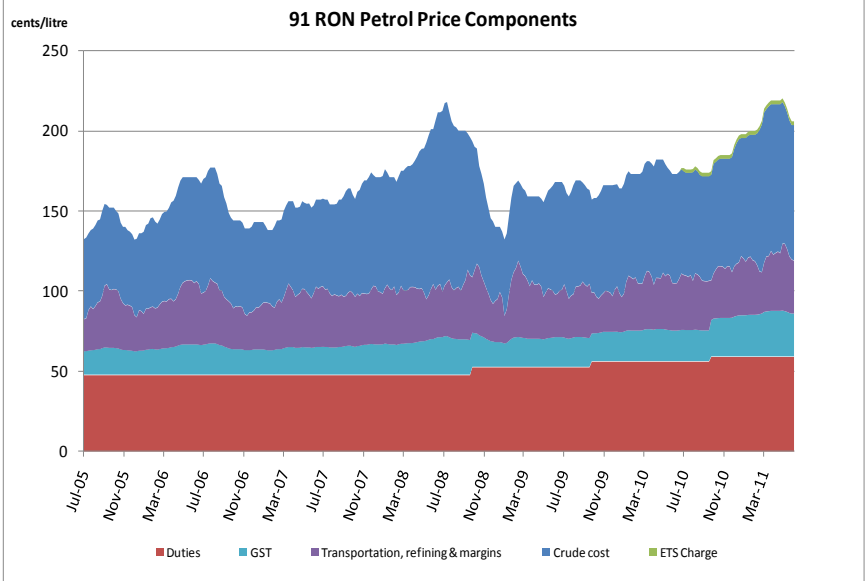
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## Petrol Prices

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 43% of the total at-pump cost (major centres) of 91, with the cost of crude at 41%.

The cost of crude increased by 2.2% over the month and the NZD exchange rate increased 3.7%. As a result of lower crude costs during the majority of the month (before peaking higher at month-end) combined with the higher NZD, the 91 RON price was 5.4% lower. More data is at [www.med.govt.nz](http://www.med.govt.nz).



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