



Gas Networks in 2022

The cost of core regulated services

Network revenue*



1.6
billion
\$2022

*Excludes Amadeus and RBP's revenue, which is confidential.

Gas network revenues are regulated under price caps. Forecast revenue is made up of costs we expect an efficient network would require to provide core regulated services to consumers.



Distribution

\$ 1.4
billion
\$2022

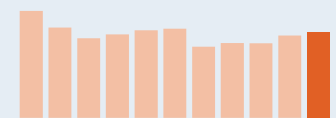


2022



Transmission

\$ 140
million
\$2022



2022

Distribution incentive schemes



\$ 2.9
million
penalty
\$2022

In the regulatory regime we apply a series of incentive schemes. The schemes provide financial rewards or penalties to encourage efficient behaviour with the aim to deliver better outcomes for consumers both now and in the future. No incentive schemes apply to gas transmission.



Gas Networks in 2022

Network expenditure

Network Expenditure



With the revenue collected from customers, networks undertake operating and capital expenditure in order to provide a safe and reliable supply of gas to consumers.



Distribution



Transmission

\$ 995 million
\$2022



Expenditure decrease
8.7%
from 2021

\$ 267 million
\$2022



Expenditure increase
82%
from 2021

Operating Expenditure



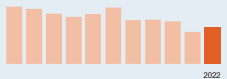
Networks are given an opex allowance to operate and maintain their network assets.



Distribution

\$ 476 million
\$2022

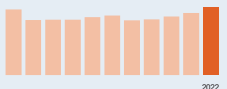
↑ 1.9%
from 2021



Transmission

\$ 72 million
\$2022

↑ 9.2%
from 2021



Capital Expenditure



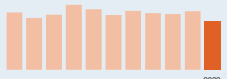
Networks are given a capital allowance to meet their capital expenditure objectives



Distribution

\$ 519 million
\$2022

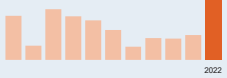
↓ 16.6%
from 2021



Transmission

\$ 195 million
\$2022

↑ 144%
from 2021



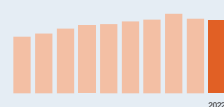
Capital Asset Base

The total value of the networks assets that are used in providing its core regulated services.



Distribution

\$ 10.4 billion
\$2022



Transmission

\$ 1.86 billion
\$2022





Gas Networks in 2022

Network characteristics and service outputs

Customer Numbers



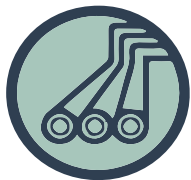
The number of customers connected to the distribution network during the regulatory year.



4.39
million
customers

↑
increase
1.2%
from 2021

Pipeline Length



The total length of pipe in the gas distribution networks at the end of the regulatory year.



74,492
km

↑
increase
1.0%
from 2021



4,872
km

=
No change
since 2021

Network utilisation



The utilisation of transmission networks during the regulatory year based on a comparison of maximum demand and total capacity.



41%

=
No change
since 2021

Gas delivered and outages



Gas delivered includes the amount of gas delivered to customers. Outages include planned and unplanned outages when there is a loss of gas supply measured by number.



Gas delivered **297PJ**

Unaccounted for gas **10.0PJ**

Planned outages **31,376**

Unplanned outages **11,966**



Gas Networks in 2022

Network Profitability

Return on assets*

*Excludes Amadeus and RBP's return on assets, which is confidential.

The return on assets is calculated by dividing a network's earnings before interest and tax by its opening capital asset base.

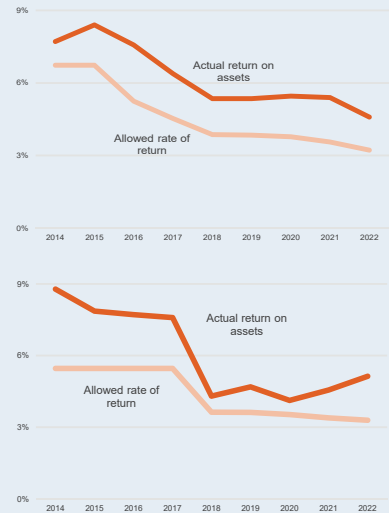
The return on assets is suited to capital intensive businesses and allows us to compare network profits against their allowed rates of return.



Distribution



Transmission



EBIT per customer

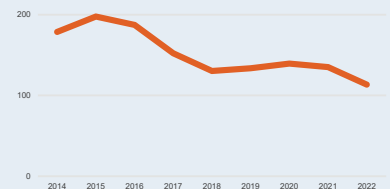


EBIT per customer is calculated by dividing a network's earnings before interest and tax by the number of customers. We do not provide this measure for gas transmission.

EBIT per customer provides an alternative perspective on drivers of operational profit margins.



Distribution



Return on regulated equity

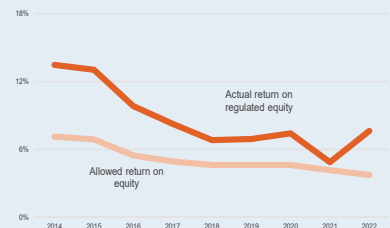


The return on regulated equity is calculated by dividing a network's regulatory profit after tax by its regulated equity.

The return on regulated equity illustrates the final returns available to equity holders after all its expenses and allows comparison against allowed returns on equity.



Distribution



Transmission

