



Electricity Networks in 2022

The cost of core regulated services

Network revenue

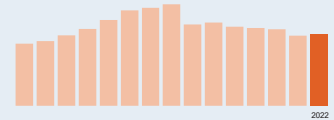


\$12 billion
\$2022

Network revenues are regulated under revenue caps. Networks are able to recover the costs that an efficient network would require to provide core regulated services to consumers

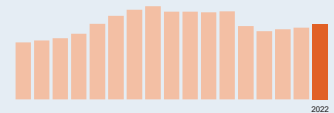
Distribution

\$9.5 billion
\$2022



Transmission

\$2.5 billion
\$2022



Incentive scheme net rewards



\$413 million
\$2022

In the regulatory regime we apply a series of incentive schemes. The schemes are designed to encourage desirable behaviour by the networks. This will deliver better outcomes for consumers both now and in the future.

Distribution

Transmission

STPIS

EBSS

CESS

F-factor

STPIS

EBSS

CESS

\$67 million
\$2022

\$160 million
\$2022

\$137 million
\$2022

\$4.4 million
\$2022

\$33 million
\$2022

\$15 million
\$2022

\$8.1 million
\$2022

Revenue decrease

Revenue increase

Revenue increase

Revenue increase

Revenue increase

Revenue increase

No change since 2021

\$80 million
since 2021

\$95 million
since 2021

\$62 million
since 2021

\$3.6 million
since 2021

\$4 million
since 2021

\$6 million
since 2021



Electricity 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 electricity to consumers.



Distribution



Transmission



Expenditure decrease
↓ **6.7%**
from 2021



Expenditure decrease
↓ **7.8%**
from 2021

Operating Expenditure



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



Distribution



↓ **1.9%**
from 2021



Transmission



↑ **2.1%**
from 2021



Capital Expenditure



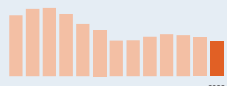
Networks are given a capital allowance to meet their capital expenditure objectives



Distribution



↓ **10.2%**
from 2021



Transmission



↓ **12.0%**
from 2021



Regulatory Asset Base

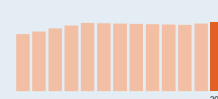
The total value of the networks assets that are used in providing its core regulated services.



Distribution



Transmission





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Network service outputs

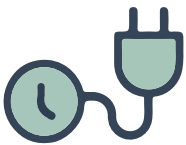
Frequency of outages (SAIFI)



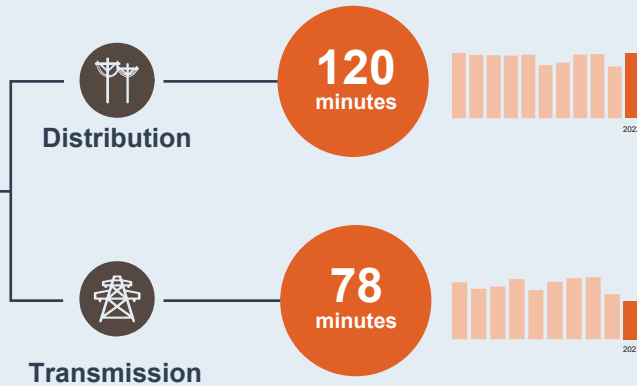
The number of normalised (outlier-excluded) supply interruptions that affect distribution and transmission customers during the regulatory year.



Duration of outages (SAIDI)



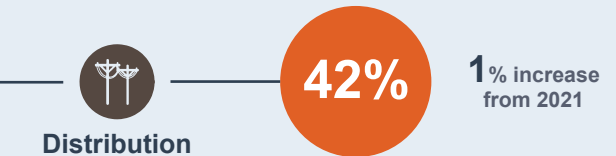
The average duration of normalised (outlier-excluded) supply interruptions that affect distribution and transmission customers during the regulatory year.



Network utilisation



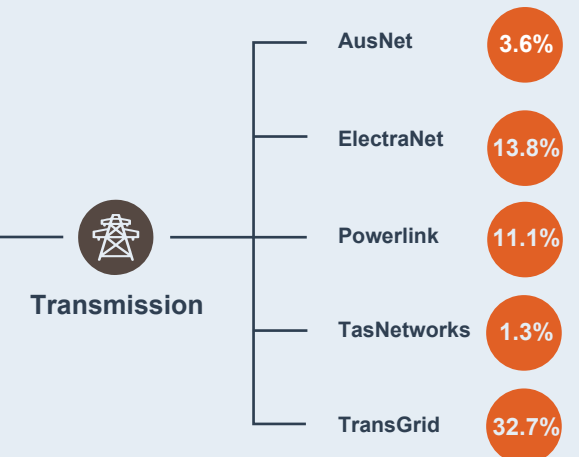
The utilisation of distribution networks during the regulatory year based on a comparison of maximum demand and total capacity.



Market impact of outages



The relative distribution of outages on each transmission network's customers during the regulatory year.





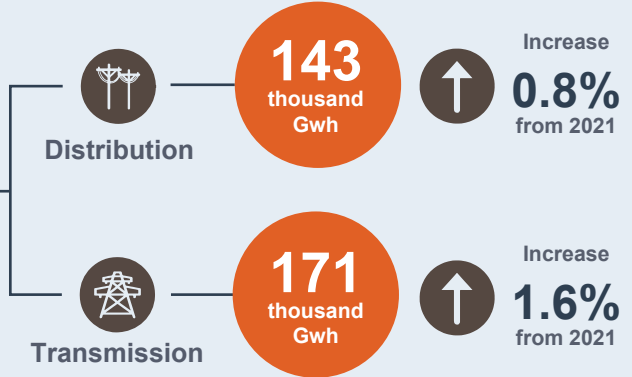
Electricity Networks in 2022

Network characteristics

Energy delivered



The energy delivered by distribution networks or transported through transmission networks during the regulatory year



Customer numbers



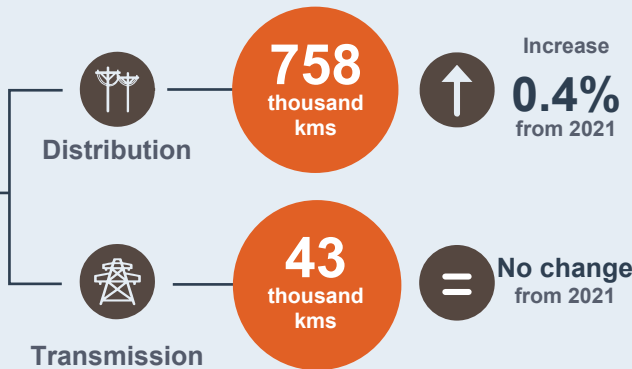
The number of customers connected to the distribution network during the regulatory year.



Circuit length **801** thousand kms



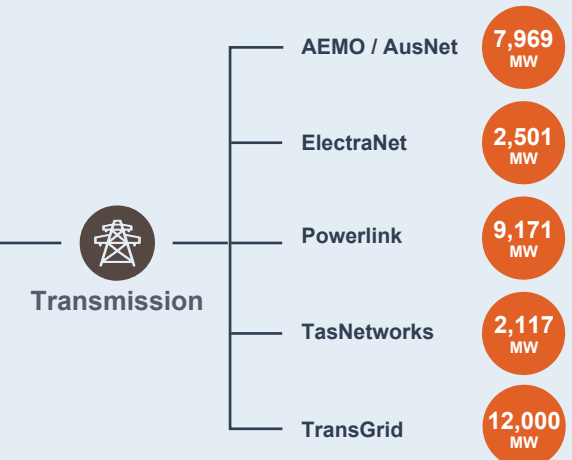
The total length of the overhead lines and underground cables in the distribution and transmission networks.



Maximum demand



Measured as coincident maximum demand; network-wide demand at the point in time when it is highest. This differs from non-coincident demand, which sums demand at different locations and at different times





Electricity Networks in 2022

Network Profitability

Return on assets



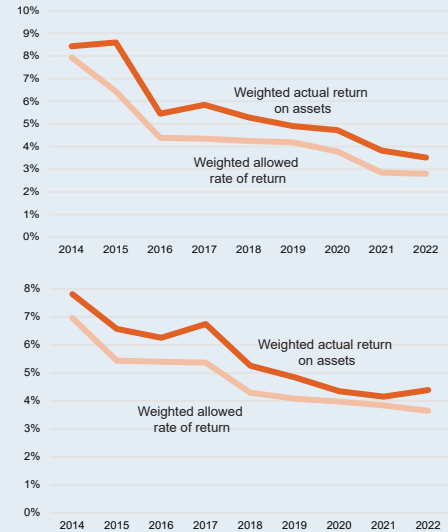
The return of assets is calculated by dividing the network's earnings before interest and tax by their opening Regulatory Asset Base

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

Distribution



Transmission



EBIT per customer



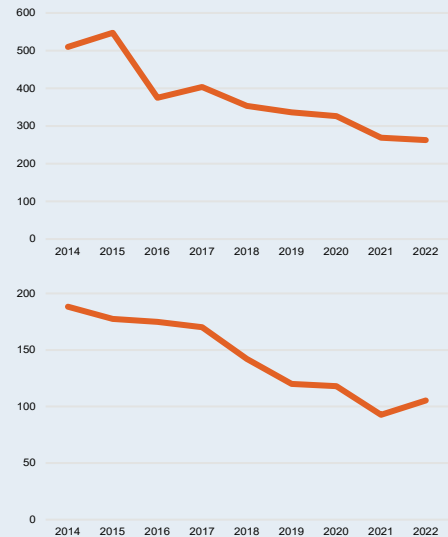
The EBIT per customer is calculated by dividing the network's earnings before interest and tax by the number of distribution networks or within the customers connected to the transmission networks jurisdiction.

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

Distribution



Transmission



Return on Regulated Equity



The return on regulated equity is calculated by dividing the networks regulatory profit after tax by their regulated equity.

The return on regulated equity illustrates the final returns available to equity holders after all expenses and allows comparison of a networks actual returns against those allowed.

Distribution



Transmission

