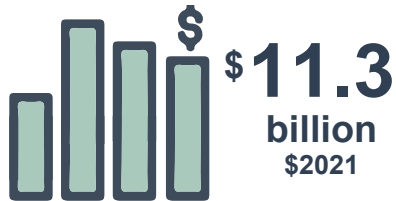




# Electricity Networks in 2021

## The cost of core regulated services

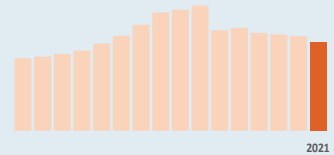
### Network revenue



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

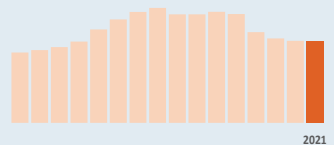
Distribution

**\$9.03 billion**  
\$2021



Transmission

**\$2.27 billion**  
\$2021



### Incentive scheme rewards/penalties



**\$281 million**  
\$2021

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

Other

STPIS

EBSS

CESS

**\$119 million**  
\$2021

**\$52 million**  
\$2021

**\$62 million**  
\$2021

**\$4 million**  
\$2021

**\$28 million**  
\$2021

**\$9 million**  
\$2021

**\$8 million**  
\$2021

Revenue decrease

Revenue increase

Revenue increase

Revenue decrease

Revenue decrease

Revenue decrease

No change since 2020

**\$38 million**  
since 2020

**\$24 million**  
since 2020

**\$30 million**  
since 2020

**\$10 million**  
since 2020

**\$14 million**  
since 2020

**\$17 million**  
since 2020



# Electricity Networks in 2021

## Network expenditure

### Network Expenditure



**\$9.1**  
billion  
\$2021

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

**\$7.11**  
billion  
\$2021

Expenditure  
decrease  
↓ **3.0%**  
from 2020

**\$1.96**  
billion  
\$2021

Expenditure  
increase  
↑ **32.6%**  
from 2020

### Operating Expenditure



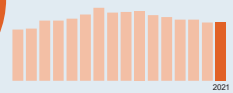
Networks are given an opex allowance to operate and maintain their network assets.



Distribution

**\$3.01**  
billion  
\$2021

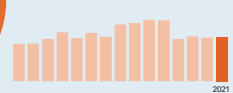
↑ **0.6%**  
from 2020



Transmission

**\$0.58**  
billion  
\$2021

↑ **0.7%**  
from 2020



### Capital Expenditure



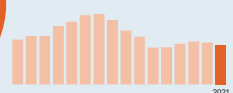
Networks are given a capital allowance to meet their capital expenditure objectives



Distribution

**\$4.11**  
billion  
\$2021

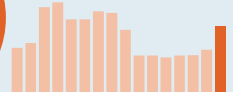
↓ **5.5%**  
from 2020



Transmission

**\$1.37**  
billion  
\$2021

↑ **53.2%**  
from 2020



### Regulatory Asset Base

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



Distribution

**\$79.9**  
billion  
\$2021



Transmission

**\$21.8**  
billion  
\$2021





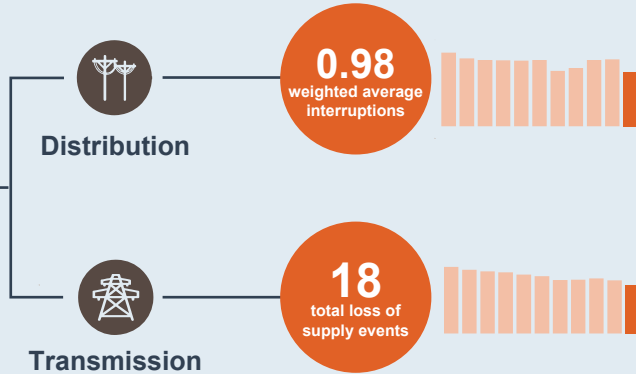
# Electricity Networks in 2021

## Network service outputs

### Frequency of outages (SAIFI)



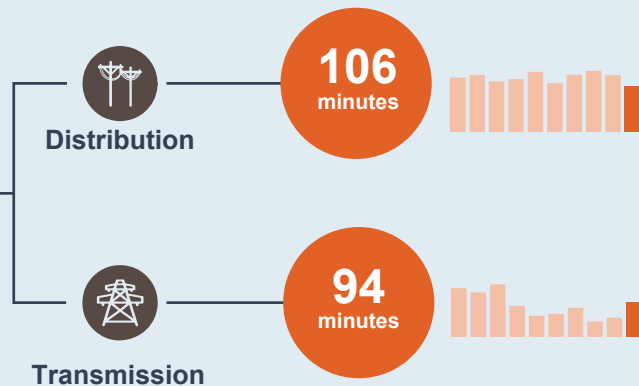
The number of normalised (outlier-excluded) supply interruptions that affect distribution and transmission customers during the regulatory year.



### Duration of outages (SAIDI)



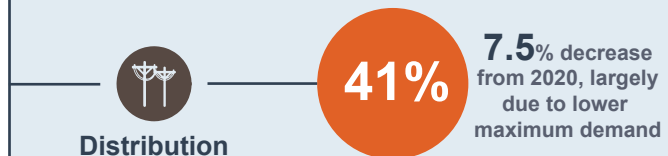
The average duration of normalised (outlier-excluded) supply interruptions that affect distribution and transmission customers during the regulatory year.



### Network utilisation



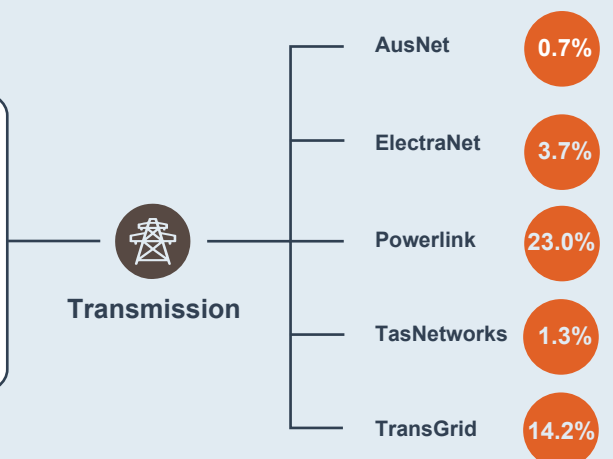
The utilisation of distribution networks during the regulatory year based on a comparison of maximum demand and total capacity.



### Market impact of outages



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





# Electricity Networks in 2021

## Network characteristics

### Energy delivered



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

Distribution

**142**  
thousand  
Gwh

↓  
Decrease  
**0.3%**  
from 2020

Transmission

**174**  
thousand  
Gwh

↓  
Decrease  
**2.1%**  
from 2019

### Customer numbers



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

Distribution

**10.7**  
million  
customers

↑  
Increase  
**1.0%**  
from 2020

### Circuit length **798** thousand kms



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

Distribution

**755**  
thousand  
kms

↑  
Increase  
**0.3%**  
from 2020

Transmission

**43**  
thousand  
kms

=  
no change  
from 2020

### 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

Transmission

AEMO / AusNet **7,786**  
MW

ElectraNet **2,744**  
MW

Powerlink **8,479**  
MW

TasNetworks **2,041**  
MW

TransGrid **11,700**  
MW



# Electricity Networks in 2021

## Network Profitability

### Return on assets



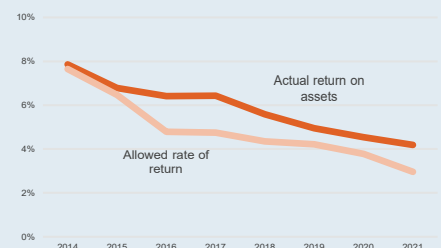
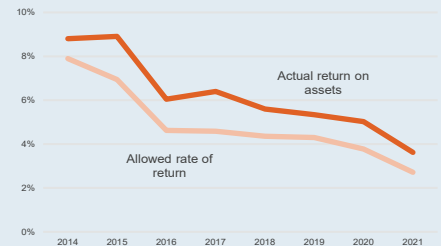
The return of assets is calculated by dividing the network's earnings before interest and tax by their opening Regulatory Asset Base

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



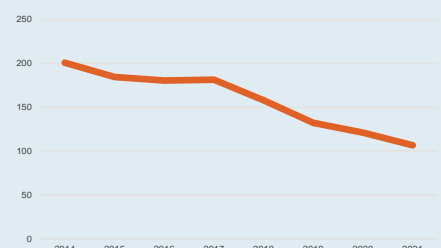
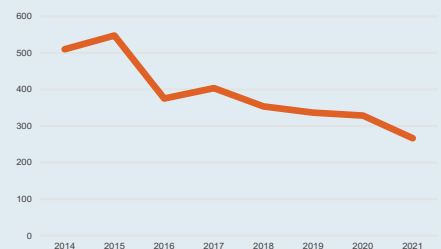
The EBIT per customer is calculated by dividing the network's earnings before interest and tax by the number of distribution networks or within the customers connected to the transmission networks jurisdiction.

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 its expenses and allows comparison of a networks actual returns against those allowed.

#### Distribution



#### Transmission

