

Distribution

Return on Assets - Straightline depreciation including incentives

	2013-14	2014-15	2015-16	2016-17
Ausgrid *	7.33%	6.11%	3.26%	3.64%
Ausnet Services (D)	7.32%	9.34%	4.57%	6.65%
Citipower	6.75%	8.03%	5.66%	5.83%
Endeavour Energy *	8.20%	8.68%	5.35%	5.28%
Energex	5.40%	7.74%	7.71%	7.15%
Ergon Energy	6.93%	8.69%	6.29%	7.35%
Essential Energy*	9.02%	9.75%	3.39%	4.28%
Evo Energy (ActewAGL) *	5.18%	6.77%	7.37%	7.97%
Jemena	8.83%	9.75%	7.35%	8.50%
Powercor	8.47%	9.03%	6.93%	6.98%
SA Power Networks	10.64%	11.49%	6.48%	5.51%
TasNetworks (D)	6.96%	9.35%	9.82%	7.57%
United Energy	6.78%	7.30%	4.14%	6.86%

AER allowed pre-tax real WACC

	2013-14	2014-15	2015-16	2016-17
Ausgrid *	8.13%	4.73%	4.66%	4.66%
Ausnet Services (D)	7.80%	7.80%	4.51%	4.46%
Citipower	7.86%	7.86%	4.45%	4.39%
Endeavour Energy *	8.15%	4.78%	4.72%	4.63%
Energex	8.02%	8.02%	3.97%	4.00%
Ergon Energy	7.89%	7.89%	3.94%	3.97%
Essential Energy*	8.07%	4.74%	4.68%	4.59%
Evo Energy (ActewAGL) *	6.91%	4.63%	4.53%	4.53%
Jemena	8.70%	8.70%	4.72%	4.66%
Powercor	7.76%	7.76%	4.35%	4.29%
SA Power Networks	8.98%	8.98%	4.35%	4.36%
TasNetworks (D)	6.55%	6.55%	6.55%	6.55%
United Energy	7.91%	7.91%	4.82%	4.76%

Return on Assets - Straightline depreciation excluding incentives

	2013-14	2014-15	2015-16	2016-17
Ausgrid *	7.31%	5.52%	2.69%	3.21%
Ausnet Services (D)	6.46%	8.84%	3.93%	5.45%
Citipower	7.16%	8.37%	5.89%	5.97%
Endeavour Energy *	8.07%	7.19%	5.02%	4.84%
Energex	5.39%	7.44%	7.59%	6.60%
Ergon Energy	6.91%	8.37%	5.72%	6.69%
Essential Energy*	9.01%	9.74%	3.38%	4.27%
Evo Energy (ActewAGL) *	5.18%	6.77%	7.37%	7.97%
Jemena	6.91%	8.42%	6.14%	7.76%
Powercor	7.97%	8.92%	7.12%	6.24%
SA Power Networks	10.10%	11.12%	6.48%	5.20%
TasNetworks (D)	6.96%	9.35%	9.98%	7.06%
United Energy	7.75%	8.43%	4.76%	6.54%

Return on Assets excluding incentives relative to the pre-tax real WACC

	2013-14	2014-15	2015-16	2016-17
Ausgrid *	-0.82%	0.79%	-1.97%	-1.45%
Ausnet Services (D)	-1.34%	1.04%	-0.58%	0.99%
Citipower	-0.70%	0.51%	1.44%	1.58%
Endeavour Energy *	-0.08%	2.41%	0.30%	0.21%
Energex	-2.63%	-0.58%	3.62%	2.60%
Ergon Energy	-0.98%	0.48%	1.78%	2.72%
Essential Energy*	0.94%	5.00%	-1.30%	-0.32%
Evo Energy (ActewAGL) *	-1.73%	2.14%	2.84%	3.44%
Jemena	-1.79%	-0.28%	1.42%	3.10%
Powercor	0.21%	1.16%	2.77%	1.95%
SA Power Networks	1.12%	2.14%	2.13%	0.84%
TasNetworks (D)	0.41%	2.80%	3.43%	0.51%
United Energy	-0.16%	0.52%	-0.06%	1.78%

Note: The nature of the regulatory framework and a number of external factors can lead to variance in the ratios when observed year-on-year. This should be taken into consideration when interpreting the ratios, particularly when comparing them to the regulatory benchmark (i.e. the real pre-tax WACC). For example, allowed revenues, calculated using the various building block costs, are smoothed over the regulatory period to avoid significant changes year-on-year in revenues. Similarly, under the revenue cap control mechanism an over-recovery in one year results in the revenue cap in a subsequent year being reduced.

* The RoA analysis for 2014-15 to 2016-17 for NSW/ACT electricity distributors should be interpreted with caution. The reported revenues for those years were affected by two factors that do not typically occur over a regulatory control period: the transitional decision for 2014-15; and, an appeal on the 2015 final decision (which was subsequently set aside subject to remittal processes).

Transmission

Return on Assets - Straightline depreciation including incentives

	2013-14	2014-15	2015-16	2016-17
Ausnet Services (T)	9.94%	8.05%	7.28%	6.79%
ElectraNet	5.88%	5.81%	5.90%	5.65%
Powerlink	6.89%	5.61%	6.98%	9.35%
TasNetworks (T)	7.68%	7.45%	6.91%	5.79%
Transgrid	7.90%	7.13%	4.99%	4.41%

AER allowed pre-tax real WACC

	2013-14	2014-15	2015-16	2016-17
Ausnet Services (T)	7.66%	5.62%	5.62%	5.62%
ElectraNet	5.18%	5.18%	5.18%	5.18%
Powerlink	6.13%	6.13%	6.13%	6.13%
TasNetworks (T)	7.93%	4.39%	4.29%	4.25%
Transgrid	8.04%	4.92%	4.83%	4.75%

Return on Assets - Straightline depreciation excluding incentives

	2013-14	2014-15	2015-16	2016-17
Ausnet Services (T)	9.45%	7.23%	6.34%	6.10%
ElectraNet	5.98%	5.83%	5.65%	5.53%
Powerlink	6.62%	5.37%	6.89%	9.06%
TasNetworks (T)	7.63%	6.46%	6.07%	4.89%
Transgrid	7.81%	6.64%	4.57%	3.97%

Return on Assets excluding incentives relative to the pre-tax real WACC

	2013-14	2014-15	2015-16	2016-17
Ausnet Services (T)	1.79%	1.61%	0.72%	0.48%
ElectraNet	0.80%	0.65%	0.47%	0.35%
Powerlink	0.49%	-0.76%	0.76%	2.93%
TasNetworks (T)	-0.30%	2.07%	1.78%	0.64%
Transgrid	-0.23%	1.72%	-0.26%	-0.78%

Note: The nature of the regulatory framework and a number of external factors can lead to variance in the ratios when observed year-on-year. This should be taken into consideration when interpreting the ratios, particularly when comparing them to the regulatory benchmark (i.e. the real pre-tax WACC). For example, allowed revenues, calculated using the various building block costs, are smoothed over the regulatory period to avoid significant changes year-on-year in revenues. Similarly, under the revenue cap control mechanism an over-recovery in one year results in the revenue cap in a subsequent year being reduced.