



Gas Distribution Networks in 2023

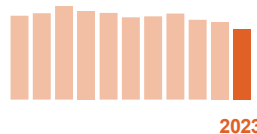
Network costs and expenditures

All dollar terms \$ June 2023

Network revenue

\$1.4
billion

↓ 9.4%
from 2022



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.

Incentive schemes



\$1.8
million
penalty

Incentive schemes provide financial rewards or penalties to encourage efficient behaviour with the aim to deliver better outcomes for consumers.

Network expenditure



\$1.1
billion

↑ Expenditure
increase
3.9%
from 2022

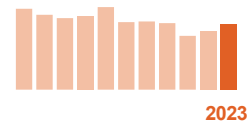
With the revenue collected from customers, networks undertake operating and capital expenditure in order to provide a safe and reliable supply of electricity to consumers.

Operating expenditure



\$526
million

↑ 2.6%
from 2022



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

Capital expenditure



\$588
million

↑ 5.0%
from 2022



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

Capital asset base



\$11.2
billion

↓ 0.9%
from 2022



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



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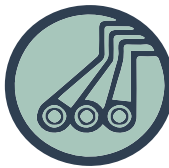
Network characteristics and service outputs



Customer numbers

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

4.3
million customers
↑ increase
0.8%
from 2022



Pipeline Length

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

72
thousand kms
↑ increase
0.8%
from 2022



Gas delivered

The gas delivered to residential, commercial and industrial customers during the regulatory year.

270 PJ_s



Unaccounted for gas

Difference between gas entering the distribution network from supply points and the gas delivered to customers.

10.5 PJ_s



Outages

Outages includes both planned and unplanned outages in the gas distribution network.

34,535
Planned outages
11,100
Unplanned outages



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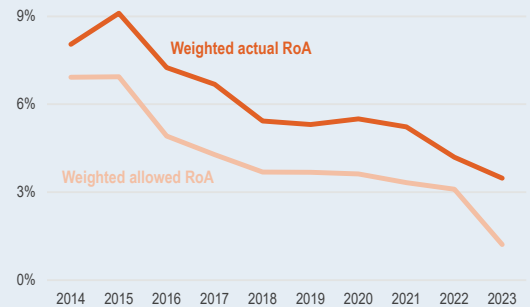
Financial performance

Return on assets



The return on assets (RoA) 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.

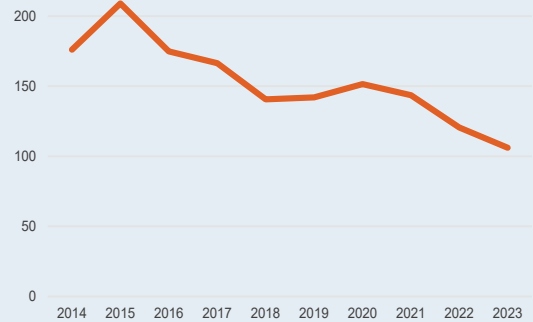


EBIT per customer



EBIT per customer is calculated by dividing a network's earnings before interest and tax by the number of customers.

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



Return on regulated equity



The return on regulated equity (RoRE) 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.

