



Electricity Networks in 2020

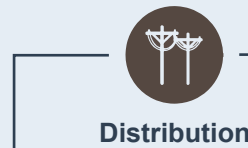
The cost of core regulated services

Network revenue

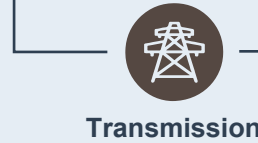
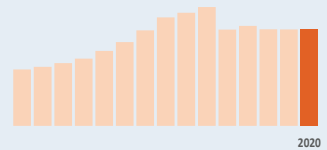


\$11.9
billion
\$2020

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



\$9.8
billion
\$2020



\$2.1
billion
\$2020



Incentive scheme rewards/penalties



\$302
million
\$2020

In the regulatory regime we apply a series of incentive schemes. The schemes are designed to encourage specific desirable behaviour by the networks. They include, amongst other things, expenditure efficiency and reliability focussed incentive schemes.



STPIS

EBSS

CESS

Other

STPIS

EBSS

CESS

\$165
million
\$2020

\$28
million
\$2020

\$31
million
\$2020

\$4
million
\$2020

\$42
million
\$2020

\$25
million
\$2020

\$8
million
\$2020

Revenue increase
\$56
million
since 2019

Revenue increase
\$2
million
since 2019

New incentive reward/penalty in 2020

Revenue decrease
\$4
million
since 2019

Revenue decrease
\$10
million
since 2019

Revenue increase
\$43
million
since 2019

Revenue increase
\$1
million
since 2019



Electricity Networks in 2020

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.

Operating Expenditure



Networks must undertake operating expenditure to operate and maintain their network assets. Their revenue caps include a forecast operating expenditure amount

Capital Expenditure



Networks undertake capital expenditure which is then included in their Regulatory Asset Base. They recover the capital costs of these expenditures through depreciation and return of capital.

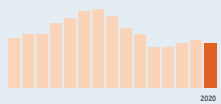
Distribution



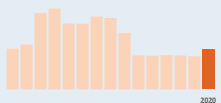
Transmission



Distribution



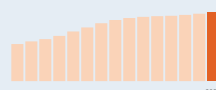
Transmission



Regulatory Asset Base

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

Distribution



Transmission



Distribution



Transmission

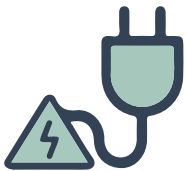




Electricity Networks in 2020

Network service outputs

Frequency of outages



The SAIFI (System average frequency index) measures the normalised weighted average number of unplanned interruptions a customer experiences each regulatory year.



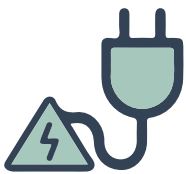
Distribution

1.09
weighted average
interruptions



Decrease
0.04
from 2019

Loss of supply events



Loss of supply events measure the number of times energy is not available for set periods of times for transmission network customers.



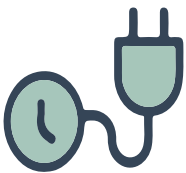
Transmission

9
total loss of
supply events



Increase
2
events
from 2018

Duration of outages



The SAIDI (System average interruption duration index) measures the normalised average duration (minutes) of unplanned interruptions a customer experiences each regulatory year.



Distribution

120
minutes



Increase
1
minute
from 2019



Transmission

117
minutes



Decrease
9
minutes
from 2018

Network utilisation



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



Distribution

49%
DNSP average



No change
from 2019



Electricity Networks in 2020

Network characteristics

Energy delivered



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



Distribution

142
TWh



Decrease
2.0%
from 2019



Transmission

170
TWh



Decrease
2.1%
from 2019

Customer numbers



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



Distribution

10.6
million
customers



Increase
1.3%
from 2019

Circuit length



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



Distribution

753
thousand
kms



Increase
0.4%
from 2019



Transmission

43
thousand
kms



Decrease
0.2%
from 2019

Maximum demand



The coincident demand on each transmission network, which is the overall demand at the point in time when demand on the network is at its highest.



Transmission

AusNet

8,948
MW

ElectraNet

2,923
MW

Powerlink

8,766
MW

TasNetworks

2,048
MW

TransGrid

13,500
MW



Electricity Networks in 2020

Network Profitability

Return on assets



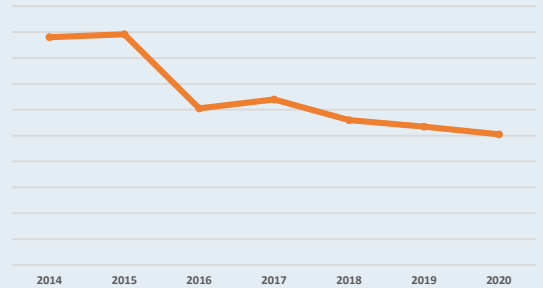
The return of assets is a regulatory profitability measure.

We calculate it by dividing the network's earnings before interest and tax (EBIT) by its opening Regulatory Asset Base.

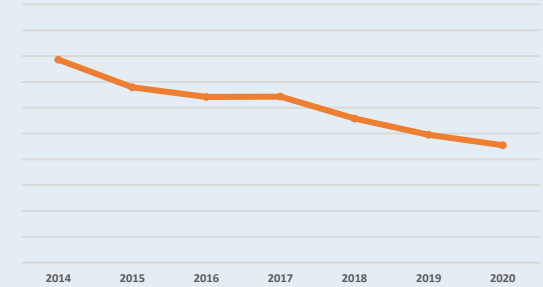
This measure should be compared against forecast rates of return included in our decisions.



Distribution



Transmission



EBIT per customer



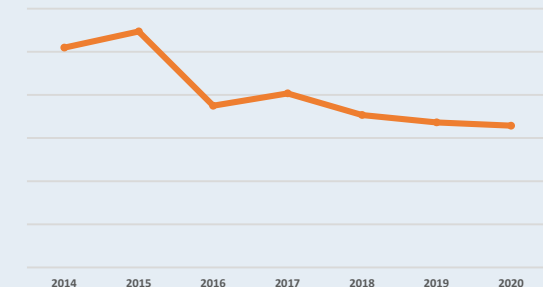
The EBIT per customer is a regulatory profitability measure.

We calculate it by dividing the network's EBIT by the number of customers connected to the distribution network or within the state of the transmission network.

Alongside the return on assets, it shows another perspective on drivers of operational profits.



Distribution



Transmission

