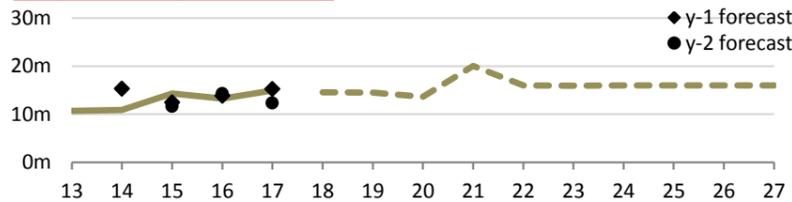


Summary statistics

	2017 value	5 year trend	3 year CAGR	Rank
Regulatory asset base	\$179m		+5.9%	16
Regulatory profit	\$13.5m		+7.9%	16
Return on investment	8.32%			10
Line charge revenue	\$35.6m		+2.1%	18
Other income	\$0.4m		-8.5%	16
Customer connections	15,623		+1.9%	23
Energy delivered	423 GWh		+1.9%	16
Peak demand	63 MW		+0.8%	21
Network capacity	234 MVA		+4.5%	22
Capital expenditure	\$14.9m		+11.1%	12
Operating expenditure	\$6.4m		-6.5%	22
Capital contributions	\$0.7m		+10.7%	16
Related party transactions	\$20.7m		+29.6%	6
Line length	4,691km		+1.1%	11
Outages - SAIDI	324 minutes		-11.8%	22
Outages - SAIFI	2.86 faults		-1.8%	23

Capital expenditure



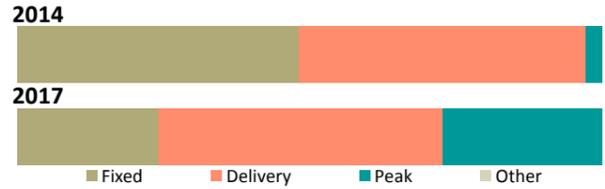
3 year ratios

Total capex / asset base	Total capex / connections	Total capex / depreciation
8.2% Rank: 17	\$927 Rank: 28	1.96 Rank: 13

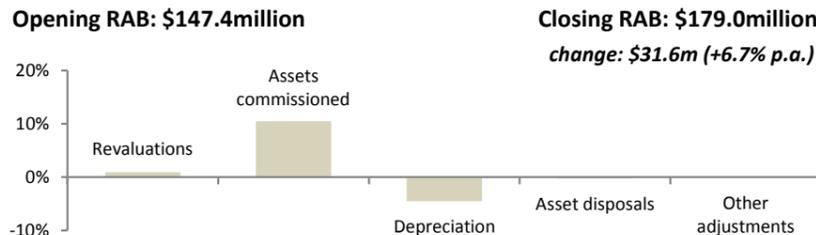
Capex by expenditure category	Average (2015-2017)	5 year trend	% of capex
Asset replacement & renewal	\$5.3m		37.6%
Consumer connection	\$3.4m		24.2%
System growth	\$3.4m		24.1%
Reliability, safety & environment	\$1.4m		10.1%
Asset relocations	\$0.5m		3.3%
Non-network assets	\$0.1m		0.7%
Total capital expenditure	\$14.2m		100.0%
Related party transactions	\$11.4m		80.6%

Line charge revenues

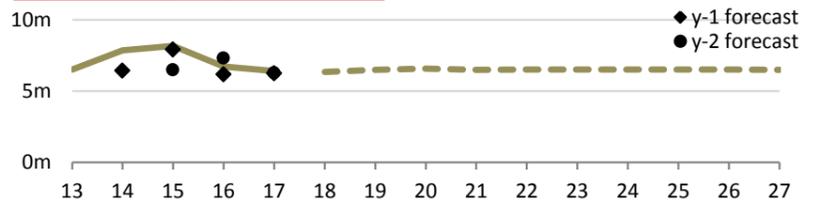
	Proportion of revenue	Charges per unit	Rank
Average daily charge	24.2%	151.0¢/ICP	27
Delivery (kWh)	48.5%	4.1¢/kWh	8
Peak based	27.3%	\$154/kW	26



Annualised RAB changes (2015-2017)



Operating expenditure

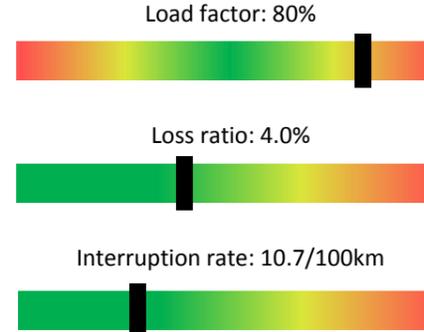


3 year ratios

Network opex / metre of line	Non-network opex / connections	Total opex / kW
\$0.88 Rank: 4	\$196 Rank: 17	\$111 Rank: 20

Opex by expenditure category	Average (2015-2017)	5 year trend	% of opex
Service interruptions & emergencies	\$1.5m		21.6%
Business support	\$1.5m		21.4%
System operations & network support	\$1.5m		20.7%
Vegetation management	\$1.2m		17.5%
Routine & corrective maintenance	\$1.0m		13.4%
Asset replacement & renewal	\$0.4m		5.3%
Total operating expenditure	\$7.1m		100.0%
Related party transactions	\$6.1m		86.3%

Network ratios



Company details

PQ Regulated?	Yes	Price breach:	No
		Quality breach:	No
CEO:	Jason Franklin (Powernet)		
Ownership:	The Power Company 75.1% Electricity Invercargill 24.9%		
Head Office:	92 Charlotte Street; Balclutha		
Phone number:	03 418 4950		
Website:	www.otagonet.co.nz		

Lines and cables

Estimated state of the assets	Distribution & LV O/H lines	Distribution & LV U/G cables	Subtransmission lines and cables	Poles
Quantity	3,840km	130km	717km	49,573
RAB Value	\$85.6m	\$7.7m	\$23.9m	*
Average grade	3.27	4.00	3.29	3.38
Grade 1 / 2	6.9% / 15.9%	0.0% / 0.0%	7.7% / 12.7%	4.2% / 11.0%
Unknown grade	8.2%	76.4%	27.4%	21.3%
Average age	32 years	10 years	39 years	33 years
Over generic age	478km (12.5%)	1km (0.4%)	108km (15.0%)	9,637 (19.4%)
Unknown age	7.5%	8.4%	6.9%	2.5%
5yr replacement req (est)	14.8%	0.0%	14.1%	9.6%
5yr planned replacement	10.7%	2.3%	13.8%	8.3%
Forecast repex (ave)	\$4.3m +19%	\$0.0m	\$2.2m +108%	*
Repex series				*

* RAB and expenditure on poles is included within Distribution and LV lines

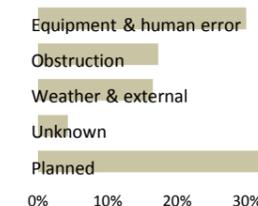
Switchgear and transformers

Estimated state of the assets	Distribution transformers	Distribution switchgear	Zone-substation transformers	Zone-substation switchgear
Quantity	4,337	4,910	48	365
RAB Value	\$20.7m	\$8.0m	<----- \$29.6m ----->	
Average grade	2.99	2.85	3.04	3.28
Grade 1 / 2	1.4% / 0.7%	0.0% / 20.2%	0.0% / 8.5%	0.0% / 8.1%
Unknown grade	76.6%	0.0%	0.0%	0.0%
Average age	33 years	33 years	30 years	25 years
Over generic age	1,561 (36.0%)	2,451 (49.9%)	19 (39.2%)	91 (25.0%)
Unknown age	0.0%	1.0%	0.0%	0.0%
5yr replacement req (est)	1.8%	10.1%	4.3%	4.1%
5yr planned replacement	2.3%	9.9%	8.5%	7.0%
Forecast repex (ave)	\$0.0m -91%	\$0.0m -73%		\$1.2m +190%
Repex series				

Reliability

	Unplanned	Planned	Trend
Interruptions	182	321	↓
SAIDI	202.2	121.4	↑
SAIFI	2.15	0.71	↑
CAIDI	94.0	170.0	↓

SAIDI causes



SAIFI causes

