

FFO margin comparison

In comparison to the In-House Option:

At 10% FFO:

- Operating revenue is lower by \$114 million.
- Total debt is higher by \$157 million.
- Interest expense is higher by \$35 million.
- By 2033/34 the In-House option has a higher average charge than the CCO option, but the gap is closing.

At 8% FFO:

- Operating revenue is lower by \$171 million.
- Total debt is higher by \$228 million.
- Interest expense is higher by \$49 million.
- By 2033/34 the In-House Option has a higher average charge than the CCO Option.

At 12% FFO:

- Operating revenue is lower by \$65 million.
- Total debt is higher by \$95 million.
- Interest expense is higher by \$26 million.
- By 2033/34 the CCO Option has a higher average charge than the In-House Option.

Comparative average charges under each option with FFO sensitivity.

Average charge per connection (including GST)	In-House	CCO 10% FFO	Difference vs. In-House	CCO 8% FFO	Difference vs. In-House	CCO 12% FFO	Difference vs. In-House
24/25	\$2,024	\$2,024	\$0	\$2,024	\$0	\$2,024	\$0
25/26	\$2,314	\$2,142	\$172	\$1,999	\$314	\$2,280	\$34
26/27	\$2,654	\$2,329	\$325	\$2,184	\$469	\$2,463	\$191
27/28	\$3,029	\$2,519	\$510	\$2,374	\$655	\$2,650	\$379
28/29	\$3,194	\$2,755	\$439	\$2,606	\$588	\$2,887	\$307
29/30	\$3,469	\$3,117	\$352	\$2,968	\$501	\$3,245	\$224
30/31	\$3,687	\$3,388	\$299	\$3,238	\$450	\$3,515	\$173
31/32	\$3,885	\$3,617	\$268	\$3,471	\$414	\$3,737	\$148
32/33	\$4,076	\$3,882	\$194	\$3,735	\$341	\$4,000	\$75
33/34	\$4,280	\$4,202	\$78	\$4,048	\$232	\$4,326	(\$46)
Total	\$32,611	\$29,975	\$2,636	\$28,647	\$3,963	\$31,127	\$1,484