



The Directors
Australian Gas Networks Limited
Level 6
400 King William Street
ADELAIDE SA 5000

19 October 2021

Independent assurance report on the limited assurance procedures performed over actual gas volumes reported for the period 1 January 2020 to 31 December 2020 on the 2022 proposed distribution tariffs schedule for the Victoria and Albury gas distribution networks for Australian Gas Networks Limited

Scope

In accordance with the terms of engagement letter dated 18 October 2021, we were engaged by Australian Gas Networks Limited (the “Company”) to perform an independent limited assurance engagement in respect of the actual gas volumes reported (the “Subject Matter”) for the Victoria and Albury gas distribution networks for the period 1 January 2020 to 31 December 2020 (the “Period”) on the attached 2022 proposed distribution tariffs schedule. The criteria (the “Criteria”) against which we assessed the Subject Matter is set out in Annexure B of the Australian Gas Networks (Victoria and Albury) – Access Arrangement 2018–2022 (the “Access Arrangement”).

The Company’s responsibilities

The Company is responsible for the preparation of the 2022 proposed tariffs schedule, including the actual gas volumes reported, for the period 1 January 2020 to 31 December 2020 in accordance with the Criteria. In addition, the directors are responsible for the accuracy of the reported actual gas volumes for the period 1 January 2020 to 31 December 2020 on the 2022 proposed distribution tariffs schedule.

Our Independence and Quality control

We have complied with relevant ethical requirements related to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements* the firm maintains a comprehensive system of quality control

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including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained over the reported actual gas volumes included on the 2022 proposed distribution tariffs schedule as required by the Access Arrangement.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE 3000) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. That standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the 2022 proposed distribution tariffs schedule has not been prepared, in all material respects, in accordance with the Criteria, for the Period. The procedures we performed were based on our professional judgement and included:

- Agreeing gas volumes for the period reported on the 2022 proposed distribution tariffs schedule to information from the APA billing system;
- Comparing reported gas volumes for the year ended 31 December 2020 to reported gas volumes for the year ended 31 December 2019 and obtaining explanations for material variances;
- Tracing a sample of invoices for the billing period to the underlying source data that is used to compile the 2022 proposed distribution tariffs schedule; and
- Testing of mathematical accuracy of the 2022 proposed distribution tariffs schedule.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Use of report

This report was prepared for the directors of Australian Gas Networks Limited in accordance with their requirements to lodge a proposed distribution tariffs schedule with the Australian Energy Regulator (“AER”). We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the directors of Australian Gas Networks Limited, or for any purpose other than that for which it was prepared.

Inherent limitations

Because of the inherent limitations of any work planned and executed under ASAE 3000, it is possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the preparation of the proposed distribution tariffs schedule as measured against the Criteria, as it is limited primarily to making enquiries of the



Company, and applying analytical procedures. The limited assurance conclusion expressed in this report has been formed on the above basis.

Conclusion

Based on our completion of limited assurance procedures, which is not an audit, nothing has come to our attention that causes us to believe that the reported actual gas volumes for the period 1 January 2020 to 31 December 2020 on the proposed distribution tariffs schedule have not been prepared, in all material respects, in accordance with Annexure B of the Australian Gas Networks Limited (Victoria and Albury) – Access Arrangement 2018 – 2022.



PricewaterhouseCoopers



Nicola Craven
Partner

Adelaide
19 October 2021

Tariff Approval - Aust. Gas Networks (Vic & Albury)

Prop2022DistTar

PROPOSED 2022 DISTRIBUTION TARIFFS

Proposed tariff name	Existing tariff name	Prop 2022 Tariff	Exist 2021 Tariff	Actual 2020 Volumes	Prop Tar Revenue	Exist Tar Revenue
Tariff V - AGN Central - Residential	Tariff V - AGN Central - Residential					
Fixed Charge	Fixed Charge	0.1930	0.1930	210,211,700	40,570,858	40,570,858
GJ 0 - 0.0274	GJ 0 - 0.0274	13.1470	11.8856	5,089,650	66,913,630	60,493,545
GJ 0.0274 - 0.0493	GJ 0.0274 - 0.0493	7.5591	6.8338	3,282,267	24,810,981	22,430,353
GJ > 0.0493	GJ > 0.0493	3.7514	3.7514	20,196,474	75,765,054	75,765,054
Tariff V - AGN Central - Non Residential	Tariff V - AGN Central - Non Residential					
Fixed Charge	Fixed Charge	0.1930	0.1930	7,357,700	1,420,036	1,420,036
GJ 0 - 0.05	GJ 0 - 0.05	9.2805	8.3900	260,279	2,415,520	2,183,742
GJ 0.05 - 0.55	GJ 0.05 - 0.55	3.9599	3.9599	1,346,837	5,333,339	5,333,339
GJ 0.55 - 1.37	GJ 0.55 - 1.37	2.9536	2.9536	1,013,097	2,992,284	2,992,284
GJ > 1.37	GJ > 1.37	1.1929	1.1929	3,454,727	4,121,144	4,121,144
Tariff V - AGN North - Residential	Tariff V - AGN North - Residential					
Fixed Charge	Fixed Charge	0.1930	0.1930	29,660,925	5,724,559	5,724,559
GJ 0 - 0.0274	GJ 0 - 0.0274	11.5674	10.4575	688,391	7,962,895	7,198,850
GJ 0.0274 - 0.0493	GJ 0.0274 - 0.0493	6.7712	6.1215	420,751	2,848,991	2,575,629
GJ > 0.0493	GJ > 0.0493	3.3609	3.3609	2,776,290	9,330,832	9,330,832
Tariff V - AGN North - Non Residential	Tariff V - AGN North - Non Residential					
Fixed Charge	Fixed Charge	0.1930	0.1930	1,196,858	230,994	230,994
GJ 0 - 0.05	GJ 0 - 0.05	8.3246	7.5259	36,017	299,831	271,064
GJ 0.05 - 0.55	GJ 0.05 - 0.55	3.5788	3.5788	173,291	620,173	620,173
GJ 0.55 - 1.37	GJ 0.55 - 1.37	2.6691	2.6691	114,823	306,475	306,475
GJ > 1.37	GJ > 1.37	1.0785	1.0785	417,485	450,257	450,257
Tariff V - Murray Valley - Residential	Tariff V - Murray Valley - Residential					
Fixed Charge	Fixed Charge	0.2457	0.2457	3,082,859	757,458	757,458
GJ 0 - 0.0274	GJ 0 - 0.0274	10.0708	9.1045	61,237	616,708	557,534
GJ 0.0274 - 0.0493	GJ 0.0274 - 0.0493	6.0925	5.5079	33,278	202,745	183,291
GJ > 0.0493	GJ > 0.0493	3.4455	3.4455	216,315	745,313	745,313
Tariff V - Murray Valley - Non Residential	Tariff V - Murray Valley - Non Residential					
Fixed Charge	Fixed Charge	0.2457	0.2457	133,894	32,898	32,898
GJ 0 - 0.05	GJ 0 - 0.05	7.4433	6.7291	4,364	32,481	29,364
GJ 0.05 - 0.55	GJ 0.05 - 0.55	3.9744	3.9744	19,534	77,636	77,636
GJ 0.55 - 1.37	GJ 0.55 - 1.37	2.9661	2.9661	10,792	32,010	32,010
GJ > 1.37	GJ > 1.37	1.34270	1.3427	25,570	34,332	34,332
Tariff V - Bairnsdale - Residential	Tariff V - Bairnsdale - Residential					
Fixed Charge	Fixed Charge	0.3176	0.3176	1,725,031	547,870	547,870
GJ 0 - 0.0274	GJ 0 - 0.0274	21.4648	19.4053	35,065	752,662	680,446
GJ 0.0274 - 0.0493	GJ 0.0274 - 0.0493	12.4847	11.2868	18,002	224,753	203,188
GJ > 0.0493	GJ > 0.0493	6.2017	6.2017	80,647	500,150	500,150
Tariff V - Bairnsdale - Non Residential	Tariff V - Bairnsdale - Non Residential					
Fixed Charge	Fixed Charge	0.3176	0.3176	44,767	14,218	14,218
GJ 0 - 0.05	GJ 0 - 0.05	15.2608	13.7965	1,750	26,708	24,145
GJ 0.05 - 0.55	GJ 0.05 - 0.55	6.7261	6.7261	12,305	82,761	82,761
GJ 0.55 - 1.37	GJ 0.55 - 1.37	5.0149	5.0149	9,093	45,598	45,598
GJ > 1.37	GJ > 1.37	2.0191	2.0256	41,529	83,851	84,121
Tariff D - AGN Central	Tariff D - AGN Central					
0 - 10	0 - 10	1,520.7306	1,460.1550	1,415	2,152,496	2,066,755
10 - 50	10 - 50	929.6773	892.6453	1,155	1,073,502	1,030,741
> 50	> 50	169.7782	163.0154	1,186	201,410	193,387
Tariff D - AGN North	Tariff D - AGN North					
0 - 10	0 - 10	1,520.7306	1,460.1550	443	673,594	646,762
10 - 50	10 - 50	929.6773	892.6453	622	578,443	555,402
> 50	> 50	169.7782	163.0154	414	70,346	67,544
Tariff D - Murray Valley	Tariff D - Murray Valley					
0 - 10	0 - 10	1,772.5941	1,701.9860	69	122,425	117,548
10 - 50	10 - 50	1,093.8024	1,050.2328	161	175,573	168,579
> 50	> 50	186.2939	178.8732	86	16,013	15,375
Tariff D - Bairnsdale	Tariff D - Bairnsdale					
0 - 10	0 - 10	2,515.4924	2,415.2923	16	41,280	39,636
10 - 50	10 - 50	1,558.3580	1,496.2836	5	7,491	7,192
> 50	> 50	284.2091	272.8881	-	-	-
Tariff V - Albury - Residential	Tariff V - Albury - Residential					
Fixed Charge	Fixed Charge	0.2511	0.2511	8,360,632	2,099,355	2,099,355
GJ 0 - 0.0274	GJ 0 - 0.0274	9.5205	8.6070	192,275	1,830,557	1,654,914
GJ 0.0274 - 0.0493	GJ 0.0274 - 0.0493	5.6906	5.1446	115,095	654,958	592,116
GJ > 0.0493	GJ > 0.0493	2.8251	2.8251	745,174	2,105,191	2,105,191
Tariff V - Albury - Non Residential	Tariff V - Albury - Non Residential					
Fixed Charge	Fixed Charge	0.2511	0.2511	338,819	85,077	85,077
GJ 0 - 0.05	GJ 0 - 0.05	6.9874	6.3170	10,894	76,122	68,818
GJ 0.05 - 0.55	GJ 0.05 - 0.55	3.1192	3.1192	55,073	171,783	171,783
GJ 0.55 - 1.37	GJ 0.55 - 1.37	2.2150	2.2150	37,412	82,867	82,867
GJ > 1.37	GJ > 1.37	0.8944	0.8944	139,269	124,562	124,562
Tariff D - Albury	Tariff D - Albury					
0 - 10	0 - 10	1,307.8289	1,255.7339	39	51,589	49,534
10 - 50	10 - 50	812.2819	779.9261	62	50,380	48,373
> 50	> 50	196.3463	188.5252	5	1,036	995