



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

20 April 2023

Dear Directors,

**Independent assurance report on the limited assurance procedures performed over actual gas volumes reported for the period 1 July 2021 to 30 June 2022 on the 2023/24 proposed distribution tariffs schedule of the South Australian gas distribution network for Australian Gas Networks Limited**

**Scope**

In accordance with the terms of engagement letter dated 19 April 2023, 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 South Australian gas distribution networks for the period 1 July 2021 to 30 June 2022 (the "Period") on the attached 2023/24 proposed distribution tariffs schedule. The criteria (the "Criteria") against which we assessed the Subject Matter is set out in Section 4.4.1 of the South Australian Access Arrangement for the period 1 July 2021 to 30 June 2026 (the "Access Arrangement").

**The Company's responsibilities**

The Company is responsible for the preparation of the 2023/24 proposed distribution tariffs schedule, including the actual gas volumes reported for the period 1 July 2021 to 30 June 2022 in accordance with the Criteria. In addition, the directors are responsible for the accuracy of the reported actual gas volumes for the period 1 July 2021 to 30 June 2022 on the 2023/24 proposed distribution tariffs schedule.

**Our Independence and quality management**

We have complied with the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Australian Standard on Quality Management ASQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers, ABN 52 780 433 757  
Level 11, 70 Franklin Street, ADELAIDE SA 5000, GPO Box 418, ADELAIDE SA 5001  
T: +61 8 8218 7000, F: +61 8 8218 7999, [www.pwc.com.au](http://www.pwc.com.au)

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### **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 2023/24 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 actual gas volumes reported in the 2023/24 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 2023/24 proposed distribution tariffs schedule to information from the APA billing system;
- Comparing reported gas volumes for the year ended 30 June 2022 to reported gas volumes for the year ended 30 June 2021 and obtaining explanations for material variances; and
- Testing of mathematical accuracy of the 2023/24 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 for the purpose of their requirements to lodge a proposed distribution tariffs schedule with the Australian Energy Regulator (“AER”), using criteria designed for this purpose. 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 in relation to the actual gas volumes reported in the 2023/24 proposed distribution tariffs schedule with 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 the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the reported actual gas volumes on the 2023/24 proposed distribution tariffs schedule has not been prepared, in all material respects, in accordance with the Criteria for the period 1 July 2021 to 30 June 2022.



PricewaterhouseCoopers



Charles Christie  
Partner

Adelaide  
20 April 2023

**Tariff Approval - Australian Gas Networks (South Australia)**

**2023/24 PROPOSED DISTRIBUTION TARIFFS**

Proposed tariff name	Existing tariff name	Actual 2021/22 Volumes	Exist 2022/23 Tariff	Prop 2023/24 Tariff	Exist Tar Revenue	Prop Tar Revenue
Tariff R - Envestra South Australia (excl Tanunda)	Tariff R - Envestra South Australia (excl Tanunda)					
Fixed Charge	Fixed Charge	167,113,766	0.3073	0.3193	51,354,060	53,359,425
First 0.0274 GJ	First 0.0274 GJ	3,466,735	32.3305	37.1077	112,081,292	128,642,581
Next 0.0219 GJ	Next 0.0219 GJ	1,358,014	10.8035	10.8035	14,671,307	14,671,307
Additional GJ	Additional GJ	2,697,872	3.6573	3.6573	9,866,927	9,866,927
Tariff C - Envestra South Australia (excl Tanunda)	Tariff C - Envestra South Australia (excl Tanunda)					
Fixed Charge	Fixed Charge	4,154,495	0.6476	0.6729	2,690,451	2,795,560
First 0.9863 GJ	First 0.9863 GJ	1,339,111	16.0032	18.3662	21,430,066	24,594,386
Next 4.2740 GJ	Next 4.2740 GJ	1,184,737	5.9784	5.9784	7,082,830	7,082,830
Next 11.1780 GJ	Next 11.1780 GJ	554,466	2.5826	2.5826	1,431,964	1,431,964
Additional GJ	Additional GJ	210,289	2.1366	2.1366	449,303	449,303
Tariff R - Envestra Tanunda	Tariff R - Envestra Tanunda					
Fixed Charge	Fixed Charge	91,927	0.3073	0.3193	28,249	29,352
First 0.0274 GJ	First 0.0274 GJ	1,966	42.0296	48.2400	82,638	94,849
Next 0.0219 GJ	Next 0.0219 GJ	651	14.0445	14.0445	9,145	9,145
Additional GJ	Additional GJ	1,528	4.8725	4.7544	7,445	7,264
Tariff C - Envestra Tanunda	Tariff C - Envestra Tanunda					
Fixed Charge	Fixed Charge	11,673	0.6476	0.6729	7,559	7,855
First 0.9863 GJ	First 0.9863 GJ	5,421	20.8041	23.8760	112,785	129,439
Next 4.2740 GJ	Next 4.2740 GJ	6,852	7.7719	7.7719	53,250	53,250
Next 11.1780 GJ	Next 11.1780 GJ	3,450	3.3573	3.3573	11,581	11,581
Additional GJ	Additional GJ	592	2.7775	2.7775	1,644	1,644
Tariff D - Envestra Adelaide Northern	Tariff D - Envestra Adelaide Northern					
50 GJ or less (customer num)	50 GJ or less (customer num)	62	2,714.1302	2,982.2206	2,019,313	2,218,772
Next 50GJ	Next 50GJ	2,777	52.7744	57.9872	1,758,654	1,932,365
Next 900GJ	Next 900GJ	13,326	32.9469	36.2012	5,268,605	5,789,006
Additional GJ	Additional GJ	20,327	9.9827	10.9687	2,435,020	2,675,529
Tariff D - Envestra Adelaide Central	Tariff D - Envestra Adelaide Central					
50 GJ or less (customer num)	50 GJ or less (customer num)	35	2,714.1302	2,982.2206	1,139,935	1,252,533
Next 50GJ	Next 50GJ	1,365	62.6734	68.8640	1,026,590	1,127,992
Next 900GJ	Next 900GJ	5,870	39.8574	43.7943	2,807,555	3,084,870
Additional GJ	Additional GJ	104	12.5980	13.8423	15,722	17,275
Tariff D - Envestra Adelaide Southern	Tariff D - Envestra Adelaide Southern					
50 GJ or less (customer num)	50 GJ or less (customer num)	12	2,714.1302	2,982.2206	390,835	429,440
Next 50GJ	Next 50GJ	500	73.9110	81.2116	443,466	487,270
Next 900GJ	Next 900GJ	543	46.2881	50.8602	301,613	331,405
Additional GJ	Additional GJ	-	13.9592	15.3380	-	-
Tariff D - Envestra Port Pirie	Tariff D - Envestra Port Pirie					
50 GJ or less (customer num)	50 GJ or less (customer num)	C-I-C	2,714.1302	2,982.2206	C-I-C	C-I-C
Next 50GJ	Next 50GJ	C-I-C	52.7737	57.9864	C-I-C	C-I-C
Next 900GJ	Next 900GJ	C-I-C	18.2895	20.0960	C-I-C	C-I-C
Additional GJ	Additional GJ	C-I-C	9.1496	10.0533	C-I-C	C-I-C
Tariff D - Envestra Riverland	Tariff D - Envestra Riverland					
50 GJ or less (customer num)	50 GJ or less (customer num)	C-I-C	3,831.0595	4,209.4755	C-I-C	C-I-C
Next 50GJ	Next 50GJ	C-I-C	77.0571	84.6684	C-I-C	C-I-C
Next 900GJ	Next 900GJ	C-I-C	48.0166	52.7594	C-I-C	C-I-C
Additional GJ	Additional GJ	C-I-C	9.9827	10.9687	C-I-C	C-I-C
Tariff D - Envestra South East	Tariff D - Envestra South East					
50 GJ or less (customer num)	50 GJ or less (customer num)	3	2,714.1302	2,982.2206	97,709	107,360
Next 50GJ	Next 50GJ	150	52.7737	57.9864	94,993	104,376
Next 900GJ	Next 900GJ	285	27.2389	29.9294	93,157	102,359
Additional GJ	Additional GJ	-	9.9827	10.9687	-	-
Tariff D - Envestra Peterborough	Tariff D - Envestra Peterborough					
50 GJ or less (customer num)	50 GJ or less (customer num)	-	-	-	-	-
Next 50GJ	Next 50GJ	-	-	-	-	-
Next 900GJ	Next 900GJ	-	-	-	-	-
Additional GJ	Additional GJ	-	-	-	-	-
Tariff D - Envestra Whyalla	Tariff D - Envestra Whyalla					
50 GJ or less (customer num)	50 GJ or less (customer num)	C-I-C	2,714.1302	2,982.2206	C-I-C	C-I-C
Next 50GJ	Next 50GJ	C-I-C	52.7737	57.9864	C-I-C	C-I-C
Next 900GJ	Next 900GJ	C-I-C	27.2389	29.9294	C-I-C	C-I-C
Additional GJ	Additional GJ	C-I-C	9.9390	10.9207	C-I-C	C-I-C