

Independent Auditor's Report to the Directors of ActewAGL Distribution and the Australian Electricity Regulator

We have audited the accompanying Australian Energy Regulator (“AER”) Distribution Network Service Provider (“DNSP”) reset RIN Templates – Actual Information (“financial report”) of ActewAGL Distribution as at, and for the years ending, 30 June 2009 to 30 June 2013 inclusive, which comprises:

1. Regulatory template 2.1 in respect of *Expenditure Summary* (excepting Forecasts);
2. Regulatory template 2.2 in respect of *Repex* (excepting Table 2.2.2);
3. Regulatory template 2.3 in respect of *Augex* (Tables 2.3.1, 2.3.2 and 2.3.3.2 Expenditure \$000's only);
4. Regulatory template 2.4 in respect of *Augex Model* (Table 2.4.5 \$000's per MVA Historical only and Table 2.4.6 Capex \$ millions - real 2014/15 Actual only);
5. Regulatory template 2.5 in respect of *Connections* (Tables 2.5.2 Expenditure \$000's only);
6. Regulatory template 2.6 in respect of *Non-network* (Table 2.14.1 Expenditure \$000's only);
7. Regulatory template 2.7 in respect of *Vegetation management* (Table 2.7.2 Expenditure \$000's only);
8. Regulatory template 2.8 in respect of *Maintenance* (Table 2.8.2 Routine and Non-Routine Maintenance Costs \$000's only);
9. Regulatory template 2.9 in respect of *Emergency Response*;
10. Regulatory template 2.10 in respect of *Overheads*;
11. Regulatory template 2.11 in respect of *Labour* (Table 2.11.1 Total Labour Costs \$000's only);
12. Regulatory template 2.12 in respect of *Input Tables*;
13. Regulatory template 2.13 in respect of *Provisions* (excepting Forecasts);
14. Regulatory template 2.15 in respect of *Insurance and Self-Insurance* (excepting Forecasts);
15. Regulatory template 4.1 in respect of *Public Lighting* (Table 4.1.2);
16. Regulatory template 4.2 in respect of *Metering* (Table 4.2.2 Expenditure \$000's only);
17. Regulatory template 4.3 in respect of *Fee-based services* (Table 4.3.1 Expenditure \$000's only);
18. Regulatory template 4.4 in respect of *Quoted services* (Table 4.4.1 Expenditure \$000's only);
19. Regulatory template 7.4 in respect of *Shared Assets* (excepting Forecasts); and
20. Regulatory template 7.5 in respect of *Efficiency Benefit Sharing Scheme* (excepting Forecasts).

All relevant terms above are as defined in the Regulatory Information Notice issued to ActewAGL Distribution on 19 December 2013 under Division 4 of Part 3 of the National Electricity (ACT) Law.

The Directors' Responsibility for the Financial Report

The Directors are responsible for the preparation of the financial report for submission to the Australian Electricity Regulator ("AER") in accordance with Division 4 of Part 3 of the National Electricity (ACT) Law and have determined that the financial report is appropriate to meet the needs of the Directors and the AER. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards, and clause 2.1, clause 3.1 and clause 3.2 of Appendix C of the Regulatory Information Notice under Division 4 of Part 3 of the National Electricity (ACT) Law. Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Opinion

In our opinion, the financial report of ActewAGL Distribution as at, and for the years ending, 30 June 2009 to 30 June 2013 inclusive, is prepared, in all material respects, in accordance with Division 4 of Part 3 of the National Electricity (ACT) Law, which comprises:

1. Regulatory template 2.1 in respect of *Expenditure Summary* (excepting Forecasts);
2. Regulatory template 2.2 in respect of *Repex* (excepting Table 2.2.2);
3. Regulatory template 2.3 in respect of *Augex* (Tables 2.3.1, 2.3.2 and 2.3.3.2 Expenditure \$000's only);
4. Regulatory template 2.4 in respect of *Augex Model* (Table 2.4.5 \$000's per MVA Historical only and Table 2.4.6 Capex \$ millions - real 2014/15 Actual only);
5. Regulatory template 2.5 in respect of *Connections* (Tables 2.5.2 Expenditure \$000's only);
6. Regulatory template 2.6 in respect of *Non-network* (Table 2.14.1 Expenditure \$000's only);
7. Regulatory template 2.7 in respect of *Vegetation management* (Table 2.7.2 Expenditure \$000's only);
8. Regulatory template 2.8 in respect of *Maintenance* (Table 2.8.2 Routine and Non-Routine Maintenance Costs \$000's only);
9. Regulatory template 2.9 in respect of *Emergency Response*;
10. Regulatory template 2.10 in respect of *Overheads*;
11. Regulatory template 2.11 in respect of *Labour* (Table 2.11.1 Total Labour Costs \$000's only);
12. Regulatory template 2.12 in respect of *Input Tables*;
13. Regulatory template 2.13 in respect of *Provisions* (excepting Forecasts);
14. Regulatory template 2.15 in respect of *Insurance and Self-Insurance* (excepting Forecasts);
15. Regulatory template 4.1 in respect of *Public Lighting* (Table 4.1.2);
16. Regulatory template 4.2 in respect of *Metering* (Table 4.2.2 Expenditure \$000's only);

17. Regulatory template 4.3 in respect of *Fee-based services* (Table 4.3.1 Expenditure \$000's only);
18. Regulatory template 4.4 in respect of *Quoted services* (Table 4.4.1 Expenditure \$000's only);
19. Regulatory template 7.4 in respect of *Shared Assets* (excepting Forecasts); and
20. Regulatory template 7.5 in respect of *Efficiency Benefit Sharing Scheme* (excepting Forecasts).

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to “The Directors Responsibility for the Financial Report” paragraph above which states that the financial report has been prepared in accordance with Division 4 of Part 3 of the National Electricity (ACT) Law for the purpose of its submission with the AER. The financial report has been prepared to assist ActewAGL Distribution to meet the financial reporting requirements of Division 4 of Part 3 of the National Electricity (ACT) Law. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Directors and the AER and should not be distributed to or used by parties other than the Directors and the AER.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A Spark

Alexandra Spark
Partner
Chartered Accountants
Canberra, 27 May 2014