



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

21 April 2020

Dear Directors,

***Report on the limited assurance procedures performed over actual gas volumes reported for the period 1 July 2018 to 30 June 2019 on the 2020/21 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 3 April 2020, 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 for the period 1 July 2018 to 30 June 2019 (the “Period”) on the attached Schedule 1 - 2020/21 proposed distribution tariffs (“Schedule 1”) for the South Australian gas distribution network. The criteria (the “Criteria”) against which we assessed South Australia is Section 4.4.1 of the South Australian Access Arrangement for the period 1 July 2016 to 30 June 2021 (the “Access Arrangement”).

***The Company’s responsibilities***

The Company is responsible for the preparation of the Schedule 1 for South Australia in accordance with the Criteria.

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

***Our responsibilities***

Our responsibility is to perform limited assurance procedures over the reported actual gas volumes included in the Schedule 1 as measured by the Access Arrangement.

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***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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***Report on the limited assurance procedures performed over actual gas volumes reported for the period 1 July 2018 to 30 June 2019 on the 2020/21 proposed distribution tariffs schedule of the South Australian gas distribution network for Australian Gas Networks Limited (continued)***

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 reported actual gas volumes included in the Schedule 1 have 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 Schedule 1 2020/21 proposed distribution tariffs to information from the APA billing system;
- comparing gas volumes for the year ended 30 June 2019 to gas volumes for the year ended 30 June 2018 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 2020/21 proposed distribution tariffs schedule; and
- testing of mathematical accuracy of the Schedule 1 2020/21 proposed distribution tariffs.

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 requirement to lodge a proposed distribution tariffs schedule for South Australia 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 with the preparation of the proposed tariffs schedule for South Australia 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.



***Report on the limited assurance procedures performed over actual gas volumes reported for the period 1 July 2018 to 30 June 2019 on the 2020/21 proposed distribution tariffs schedule of the South Australian gas distribution network for Australian Gas Networks Limited (continued)***

***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 July 2018 to 30 June 2019 on the Schedule 1 - 2020/21 proposed distribution tariffs have not been prepared in accordance with Section 4.4.1 of the Access Arrangement for the Australian Gas Networks South Australian Distribution Network for the period 1 July 2016 to 30 June 2021.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in black ink that appears to read 'Andrew Forman' in a cursive script.

Andrew Forman  
Partner

Adelaide  
21 April 2020

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

**2020/21 PROPOSED DISTRIBUTION TARIFFS**

Proposed tariff name	Existing tariff name	Actual 2018/19 Volumes	Exist 2019/20 Tariff	Prop 2020/21 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	159,456,726	0.3134	0.3191	49,973,738	50,882,641
First 0.0274 GJ	First 0.0274 GJ	3,316,479	30.7131	32.6759	101,859,358	108,368,944
Next 0.0219 GJ	Next 0.0219 GJ	1,309,848	11.6083	11.6083	15,205,107	15,205,107
Additional GJ	Additional GJ	2,660,396	3.9295	3.9298	10,454,026	10,454,824
Tariff C - Envestra South Australia (excl Tanunda)	Tariff C - Envestra South Australia (excl Tanunda)					
Fixed Charge	Fixed Charge	4,031,515	0.6603	0.6724	2,662,009	2,710,791
First 0.9863 GJ	First 0.9863 GJ	1,312,327	15.1521	16.1157	19,884,508	21,149,066
Next 4.2740 GJ	Next 4.2740 GJ	1,184,543	6.4238	6.4238	7,609,266	7,609,266
Next 11.1780 GJ	Next 11.1780 GJ	561,471	2.7750	2.7750	1,558,081	1,558,081
Additional GJ	Additional GJ	235,923	2.0084	2.1477	473,828	506,692
Tariff R - Envestra Tanunda	Tariff R - Envestra Tanunda					
Fixed Charge	Fixed Charge	68,545	0.3134	0.3191	21,482	21,873
First 0.0274 GJ	First 0.0274 GJ	1,390	39.9270	42.4786	55,479	59,024
Next 0.0219 GJ	Next 0.0219 GJ	472	15.0907	15.0907	7,125	7,125
Additional GJ	Additional GJ	2,140	5.1083	5.1087	10,932	10,933
Tariff C - Envestra Tanunda	Tariff C - Envestra Tanunda					
Fixed Charge	Fixed Charge	11,383	0.6603	0.6724	7,516	7,654
First 0.9863 GJ	First 0.9863 GJ	5,404	19.6977	20.9504	106,440	113,209
Next 4.2740 GJ	Next 4.2740 GJ	6,528	8.3509	8.3509	54,518	54,518
Next 11.1780 GJ	Next 11.1780 GJ	4,078	3.6075	3.6075	14,710	14,710
Additional GJ	Additional GJ	-	2.6109	2.7920	-	-
Tariff D - Envestra Adelaide Northern	Tariff D - Envestra Adelaide Northern					
50 GJ or less (customer num)	50 GJ or less (customer num)	61	2,675.2455	2,787.0723	1,958,280	2,040,137
Next 50GJ	Next 50GJ	2,769	52.0184	54.1928	1,728,467	1,800,718
Next 900GJ	Next 900GJ	13,346	32.4750	33.8324	5,200,936	5,418,327
Additional GJ	Additional GJ	20,809	9.8397	10.2510	2,457,052	2,559,757
Tariff D - Envestra Adelaide Central	Tariff D - Envestra Adelaide Central					
50 GJ or less (customer num)	50 GJ or less (customer num)	35	2,675.2455	2,787.0723	1,123,603	1,170,570
Next 50GJ	Next 50GJ	1,439	61.7756	64.3578	1,066,741	1,111,330
Next 900GJ	Next 900GJ	5,907	39.2865	40.9286	2,784,784	2,901,183
Additional GJ	Additional GJ	104	11.2585	11.7291	14,051	14,638
Tariff D - Envestra Adelaide Southern	Tariff D - Envestra Adelaide Southern					
50 GJ or less (customer num)	50 GJ or less (customer num)	12	2,675.2455	2,787.0723	385,235	401,338
Next 50GJ	Next 50GJ	492	72.8522	75.8974	430,119	448,098
Next 900GJ	Next 900GJ	711	45.6250	47.5321	389,273	405,544
Additional GJ	Additional GJ	-	13.7593	14.3344	-	-
Tariff D - Envestra Port Pirie	Tariff D - Envestra Port Pirie					
50 GJ or less (customer num)	50 GJ or less (customer num)	1	2,675.2455	2,787.0723	32,103	33,445
Next 50GJ	Next 50GJ	50	52.0177	54.1920	31,211	32,515
Next 900GJ	Next 900GJ	900	18.0276	18.7811	194,698	202,836
Additional GJ	Additional GJ	3,000	9.0576	9.4368	326,074	339,725
Tariff D - Envestra Riverland	Tariff D - Envestra Riverland					
50 GJ or less (customer num)	50 GJ or less (customer num)	2	3,776.1728	3,934.0190	90,628	94,416
Next 50GJ	Next 50GJ	100	75.9533	79.1281	91,144	94,954
Next 900GJ	Next 900GJ	234	47.3288	49.3071	132,899	138,454
Additional GJ	Additional GJ	-	9.8397	10.2510	-	-
Tariff D - Envestra South East	Tariff D - Envestra South East					
50 GJ or less (customer num)	50 GJ or less (customer num)	4	2,675.2455	2,787.0723	128,412	133,779
Next 50GJ	Next 50GJ	200	52.0177	54.1920	124,842	130,061
Next 900GJ	Next 900GJ	422	26.8488	27.9710	135,962	141,645
Additional GJ	Additional GJ	-	9.8397	10.2510	-	-
Tariff D - Envestra Peterborough	Tariff D - Envestra Peterborough					
50 GJ or less (customer num)	50 GJ or less (customer num)	-	3,776.1728	3,934.0190	-	-
Next 50GJ	Next 50GJ	-	75.9533	79.1281	-	-
Next 900GJ	Next 900GJ	-	47.3288	49.3071	-	-
Additional GJ	Additional GJ	-	9.8397	10.2510	-	-
Tariff D - Envestra Whyalla	Tariff D - Envestra Whyalla					
50 GJ or less (customer num)	50 GJ or less (customer num)	1	2,675.2455	2,787.0723	32,103	33,445
Next 50GJ	Next 50GJ	16	52.0177	54.1920	9,987	10,405
Next 900GJ	Next 900GJ	-	26.8488	27.9710	-	-
Additional GJ	Additional GJ	-	9.8397	10.2510	-	-