



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

30 October 2015

Report on the limited assurance procedures performed over actual gas volumes reported for the period 1 January 2014 to 31 December 2014 on the proposed 2016 distribution tariffs schedule for Australian Gas Networks (Albury) Limited (formerly The Albury Gas Company Limited)

Scope

In accordance with the terms of engagement letter dated 27 October 2015, 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 January 2014 to 31 December 2014 (the “Period”) on the attached 2016 proposed distribution tariffs schedule for Australian Gas Networks (Albury) Limited (“Albury Gas”). The criteria against which we assessed Albury Gas is Section 4.4.1 of the Access Arrangement for Australian Gas Networks Albury Gas Distribution System for the period 2013 – 2017 (the “Access Arrangement”).

Respective responsibilities

The Company is responsible for the preparation of the proposed tariffs schedule for Albury Gas as required by the Access Arrangement. Our responsibility is to perform limited assurance procedures over the reported actual gas volumes included on the 2016 tariffs schedule for Albury Gas as measured by the Access Arrangement.

Our procedures have been conducted in accordance with applicable Standards on Assurance Engagements (ASAE 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*) to provide limited assurance that the Company has prepared the tariffs schedule for Albury Gas in accordance with the Access Arrangement.

Our procedures included:

- agreeing gas volumes for the period reported on the 2016 proposed distribution tariffs schedule to information from the APA billing system;
- comparing 2014 gas volumes to 2013 gas volumes 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 2016 proposed distribution tariffs schedule; and
- testing of mathematical accuracy of the 2016 proposed distribution tariffs schedule.

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These procedures have been undertaken to form a conclusion, that nothing has come to our attention that causes us to believe that the reported actual gas volumes for the period 1 January 2014 to 31 December 2014 on the proposed tariffs schedule have not been prepared, in accordance with the Access Arrangement.

Use of report

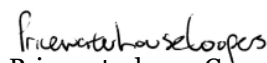
The compliance review report was prepared for the Directors of Australian Gas Networks Limited in accordance with their requirement to lodge a proposed distribution tariffs schedule for Albury Gas with the Australian Energy Regulator (“AER”). We disclaim any assumption of responsibility for any reliance 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. These procedures are not designed to detect all instances of non-compliance with the preparation of the proposed tariffs schedule for Albury Gas as measured by the Access Arrangement, as it generally comprises making enquiries, primarily of the responsible party, and applying analytical and other review procedures. The 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 2014 to 31 December 2014 on the proposed tariffs schedule have not been prepared, in accordance with Section 4.4.1 of the Access Arrangement for Australian Gas Networks Albury Gas Distribution System for the period 2013 - 2017.


PricewaterhouseCoopers


Andrew Forman
Partner

Adelaide
30 October 2015

Tariff Approval - AGN Albury

2016 TARIFF CONTROL FORMULA

Proposed tariff name	Existing tariff name	Prop 2016 Tariff	Exist 2015 Tariff	Actual 2014 Volumes	Prop Tar Revenue	Exist Tar Revenue
Tariff V - Residential	Tariff V - Residential					
Fixed Charge	Fixed Charge	0.2660	0.2591	7,370,929	1,960,667	1,909,808
GJ 0 - 0.0274	GJ 0 - 0.0274	7.4931	7.2955	169,544	1,270,412	1,236,910
GJ 0.0274 - 0.0493	GJ 0.0274 - 0.0493	5.1542	5.1542	102,359	527,579	527,579
GJ > 0.0493	GJ > 0.0493	2.8295	2.8295	560,283	1,585,322	1,585,322
Tariff V - Non Residential	Tariff V - Non Residential			832,187		
Fixed Charge	Fixed Charge	0.2660	0.2591	335,882	89,345	87,027
GJ 0 - 0.05	GJ 0 - 0.05	5.6352	5.6352	11,151	62,836	62,836
GJ 0.05 - 0.55	GJ 0.05 - 0.55	2.9587	2.9587	55,518	164,261	164,261
GJ 0.55 - 1.37	GJ 0.55 - 1.37	2.2104	2.2104	39,082	86,387	86,387
GJ > 1.37	GJ > 1.37	0.8961	0.8961	166,019	148,770	148,770
				271,770		
Tariff D	Tariff D					
0 - 10	0 - 10	1,234.0436	1,215.8990	67	83,278	82,053
10 - 50	10 - 50	766.4545	755.1850	104	79,519	78,350
> 50	> 50	185.2049	182.4818	170	31,551	31,088