



Independent Auditor's Review Report

To the Directors of AusNet Electricity Services Pty Ltd

Report on the review of the Estimated Financial Information and the Actual and Estimated Non-Financial Information in the New Historical Category Analysis – Calendar Year Data Templates and the Regulatory Determination Template

Conclusion

We have reviewed the Estimated Historical Financial Information, and the Actual and Estimated Non-Financial Information in the attached New Historical Category Analysis – Calendar Year Data Templates and the Regulatory Determination Template (“the Templates”) of AusNet Electricity Services Pty Ltd (“the Licensee”).

Based on the evidence we obtained from the review procedures we performed, nothing has come to our attention that causes us to believe that the:

- Estimated Historical Financial Information in schedules 2.2, 2.5, 2.6, 2.10, 2.11 and 8.2 in the New Historical Category Analysis – Calendar year Data Templates and template 7.4 in the Regulatory Determination Templates (“Financial Information”); and
- Actual and estimated Historical Non-Financial Information in schedule 2.2 and Estimated Non-Financial Information in schedule and 2.5 in the New Historical Category Analysis – Calendar Year Data Templates (“Non-financial Information”)

is not presented, in all material respects, in accordance with the requirements of the Regulatory Information Notice issued under Division 4 of Part 3 of the National Electricity (Victoria) Law by the Australian Energy Regulator (“the AER”) on 4 October 2019 (“the Notice”) and the Basis of Preparation as prescribed by the Notice.

Emphasis of matter - basis of preparation and restriction on use and distribution

The Templates have been prepared based on the Basis of Preparation as prescribed by the Notice. Without modifying our conclusion, we draw attention to the Basis of Preparation which describes the methodologies, assumptions and judgements made by Management in interpreting the presentation requirements for Actual and Estimated Information and the definitions of Actual and Estimated Information in the Notice, in order to meet the requirements of the Notice.

This Auditor's Report and the Templates have been prepared to assist the Directors of the Licensee for the purpose of fulfilling their regulatory reporting obligations in accordance with the requirements of the Notice. As a result, the Templates and this Auditor's Report may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Our report is intended solely for the Directors of the Licensee and the AER and should not be used by or distributed to parties other than the Directors of the Licensee and the AER. We disclaim any assumption of responsibility for any reliance on this report, or on the Templates to which it relates, to any person other than the Directors of the Licensee and the AER, or for any other purpose than that for which it was prepared.

Responsibilities of the Directors and Management for the Templates

Management are responsible for:

- the preparation of the Templates in accordance with the requirements of the Notice and the Basis of Preparation; and
- such internal control as Management determine is necessary to enable the preparation of the Templates that are free from material misstatement, whether due to fraud or error.



The Directors of the Licensee are responsible for:

- overseeing the Licensee's regulatory reporting process;
- determining that the Basis of Preparation is appropriate to meet the needs of the AER in order to fulfil the Licensee's reporting obligations; and
- the Statutory Declaration over the Financial Information and Non-Financial Information included in the Templates in order to comply with the requirements of the Notice.

Auditor's responsibility for the review of the Templates

Our responsibility is to express a conclusion on the Templates in order to state whether, on the basis of the procedures described below, we have become aware of any matter that makes us believe that the Templates are materially misstated and do not comply with the requirements of the Notice.

We conducted our review of the Templates in accordance with:

- *Standard on Review Engagements ASRE 2405 Review of Historical Information Other than a Financial Report* for our review of the Estimated Historical Financial Information; and
- *Standard on Assurance Engagements ASAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information* for our review of the Actual and Estimated Non-Financial Information.

A review of the Templates consists of:

- Making enquiries with the persons responsible for financial, accounting and regulatory reporting matters to understand the internal controls, governance structure and reporting process of preparing the Templates;
- Applying analytical procedures over the Templates; and
- Other review procedures including:
 - walkthroughs of information in the Templates to the Licensee's source documentation;
 - evaluating the appropriateness of the Basis of Preparation with respect to the Templates; and
 - reviewing the Templates to ensure they are consistent with our overall knowledge.

A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit or reasonable assurance opinion.

As required by ASRE 2405 and ASAE 3000, we have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *Accounting Professional and Ethical Standards Board*, and complied with the applicable requirements of *Australian Standard on Quality Control 1* to maintain a comprehensive system of quality control.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud or error may occur and not be detected.

A limited assurance engagement as at specified date does not provide assurance on whether compliance with the Notice will continue in the future.

KPMG

Glenn Austin
Director
Melbourne
30 January 2020