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Agreed Upon Procedures Report in Relation to the CitiPower Pty Ltd 2019 Tariff Submission

To: The Directors of CitiPower Pty Ltd

Report of Factual Findings

We have performed the procedures agreed with you to report factual findings for the purpose of assisting you and the Australian Energy Regulator ("AER") with your submission of data contained within Tariff Data Templates ("TDT's") to the AER. The procedures performed are detailed in the terms of the engagement dated 29 August 2018 and described below with respect to the Tariff Submission of CitiPower Pty Ltd ("CitiPower") for inclusion in the 2019 Pricing Proposal submitted to the AER.

The Director's Responsibility for the Procedures Agreed

The directors of CitiPower are responsible for the adequacy or otherwise of the procedures agreed to be performed by us. You and the AER are responsible for determining whether the factual findings provided by us, in combination with any other information obtained, provide a reasonable basis for any conclusions which you and the AER wish to draw on the subject matter.

Our Responsibility

Our responsibility is to report factual findings obtained from conducting the procedures agreed. We conducted the engagement in accordance with Standard on Related Services ASRS 4400 Agreed-Upon Procedures Engagements to Report Factual Findings. We have complied with ethical requirements equivalent to those applicable to Other Assurance Engagements, including independence.

The agreed-upon procedures do not constitute either a reasonable assurance (audit) or limited assurance (review) engagement in accordance with the Auditing and Assurance Standards Board (AUASB) standards, and as such, we do not express any conclusion and provide no assurance on the data contained within Tariff Data Templates ("TDT's") for inclusion in the 2019 Pricing Proposal submitted to the AER. Had we performed additional procedures or had we performed a reasonable or limited assurance engagement in accordance with AUASB standards, other matters might have come to our attention that would have been reported to you.

Factual Findings

The procedures were performed solely for the Purpose as specified above. The procedures performed and the factual findings obtained are as follows:

Procedures Performed	Factual Findings								
<p>1. We will check that the Revenue from Transmission Use of System ("TUOS") charges reported in the Tariff Approval Model for the 2019 Pricing Proposal is calculated based upon;</p> <p>a. the distribution volumes used in determining the Distribution Use of System ("DUOS") revenue included in Annual RIN Financial Information Template 8.1 (Table 1 Income Statement) of the 31 December 2017 CitiPower RIN Reporting Templates,</p> <p>b. the 2017 approved TUOS rates, and</p> <p>c. includes an explanation of the underlying cause of difference between this amount and TUOS charges as reported in Annual RIN Financial Information Template 8.1.</p>	<p>1a. The Revenue from TUOS charges reported in the Tariff Approval Model for the 2019 Pricing Proposal ("TDT") is calculated based upon the distribution volumes used in determining the DUOS revenue included in Annual RIN Financial Information Template 8.1 (Table 1 Income Statement) of the 31 December 2017 Powercor RIN Reporting Templates ("RIN").</p> <p>1b. The Revenue from TUOS charges reported in the TDT is calculated based upon the 2017 approved TUOS rates</p> <p>1c.</p> <table border="1" data-bbox="618 632 1477 758"> <thead> <tr> <th>Item</th> <th>Tariff Submission</th> <th>Per RIN</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>Revenue from TUOS charges</td> <td>98,352,282</td> <td>99,797,336</td> <td>(1,445,054)</td> </tr> </tbody> </table> <p>The total Revenue from TUOS charges reported in the TDT is \$1,445,054 less than TUOS charges as reported in the RIN. The difference is a result of a difference in the basis of preparation of each amount as follows:</p> <ul style="list-style-type: none"> The total Revenue from TUOS charges reported in the TDT is determined by multiplying the electricity distribution volume delivered in 2017 by the 2017 approved TUOS rates. The total TUOS revenue reported in the RIN is equivalent to the amount determined and reported in the statutory financial statements. The statutory financial amount reflects the accruals basis of accounting which comprises actual billings during the year adjusted for the movement in accrued revenue for the year ended 31 December 2017. 	Item	Tariff Submission	Per RIN	Difference	Revenue from TUOS charges	98,352,282	99,797,336	(1,445,054)
Item	Tariff Submission	Per RIN	Difference						
Revenue from TUOS charges	98,352,282	99,797,336	(1,445,054)						
<p>2. We will check that the Revenue from Premium Feed-in Tariff ("PFIT") charges reported in the Tariff Approval Model for the 2019 Pricing Proposal is calculated based upon;</p> <p>a. the distribution volumes used in determining the Distribution Use of System ("DUOS") revenue included in Annual RIN Financial Information Template 8.1 (Table 1 Income Statement) of the 31 December 2017 CitiPower RIN Reporting Templates,</p> <p>b. the 2017 approved PFIT rates, and</p> <p>c. includes an explanation of the underlying cause of difference between this amount and the PFIT charges as reported within Jurisdictional scheme amounts in Annual RIN Financial Information Template 8.1.</p>	<p>2a. The Revenue from PFIT charges reported in the Tariff Approval Model for the 2019 Pricing Proposal ("TDT") is calculated based upon the distribution volumes used in determining the DUOS revenue included in Annual RIN Financial Information Template 8.1 (Table 1 Income Statement) of the 31 December 2017 Powercor RIN Reporting Templates ("RIN").</p> <p>2b. The Revenue from PFIT charges reported in the TDT is calculated based upon the 2017 approved PFIT rates.</p> <p>2c.</p> <table border="1" data-bbox="618 1493 1477 1619"> <thead> <tr> <th>Item</th> <th>Tariff Submission</th> <th>Per RIN</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>Revenue from PFIT charges</td> <td>2,131,997</td> <td>2,148,472</td> <td>(16,475)</td> </tr> </tbody> </table> <p>The total Revenue from PFIT charges reported in the TDT is \$16,475 less than the PFIT charges as reported in the RIN. The difference is a result of a difference in the basis of preparation of each amount as follows:</p> <ul style="list-style-type: none"> The total Revenue from PFIT charges reported in the TDT is determined by multiplying the electricity distribution volume delivered in 2017 by the 2017 approved PFIT rates. The total PFIT revenue reported in the RIN is equivalent to the amount determined and reported in the statutory financial statements. The statutory financial amount reflects the accruals basis of accounting which comprises actual billings during the year adjusted for the movement in accrued revenue for the year ended 31 December 2017. 	Item	Tariff Submission	Per RIN	Difference	Revenue from PFIT charges	2,131,997	2,148,472	(16,475)
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Revenue from PFIT charges	2,131,997	2,148,472	(16,475)						

Restriction on Distribution and Use of the Report

This report is intended solely for the use of CitiPower and the AER for the purpose set out above. As the intended user of our report, it is for you and the other intended users to assess both the procedures and our factual findings to determine whether they provide, in combination with any other information you and the AER have obtained, a reasonable basis for any conclusions which you wish to draw on the subject matter. As required by ASRS 4400, distribution of this report is restricted to those parties that have agreed the procedures to be performed with us and have been identified in the terms of the engagement (since others, unaware of the reasons for the procedures, may misinterpret the results).

Our report may be relied upon by CitiPower for the purpose set out above only pursuant to the terms of our engagement letter dated 29 August 2018.

Accordingly, we expressly disclaim and do not accept any responsibility or liability to any other party for any consequences of reliance on this report for any purpose.

DELOITTE TOUCHE TOHMATSU

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A handwritten signature in black ink, appearing to read 'S. Vorweg', written in a cursive style.

Samuel Vorweg
Partner
Chartered Accountants
Melbourne, 26 September 2018