



Agreed-upon procedures report to the Ausgrid Operator Partnership and its controlled entities (together the Ausgrid Group)

Purpose of this agreed-upon procedures report, restriction on distribution and use, and disclaimer of liability to third parties and for any other purpose

This report is intended solely for the purpose of assisting the Ausgrid Group with its 2025 storm cost pass through application ("the Application") to the Australian Energy Regulator ("AER"), and may not be suitable for another purpose.

As required by the Australian Standard on Related Services ASRS 4400 Agreed-Upon Procedures Engagements, our report will be prepared for the Ausgrid Group only for the purpose of assisting the Ausgrid Group in assessing the storm costs and assumptions included in the pass-through application to the AER. It is not intended to be used for any other purpose, and we disclaim any assumption of responsibility for any reliance on our reports to anyone other than the Ausgrid Group or in the case of the Ausgrid Group, for any other purpose other than that for which it was prepared.

For the purposes of clause 1.4 of the terms of business in our engagement letter issued on 19 March 2025, we consent to you providing a copy of our report to AER provided that you first draw the AER's attention to the disclaimers in the report and, before receiving the report, the AER agrees:

- (a) Our services and report are not for their use or benefit;
- (b) We do not accept any responsibility, duty, or liability to them;
- (c) Not to make or assist, directly or indirectly, any claim against PricewaterhouseCoopers or its partners or employees which arises out of or in connection with our services or report; and
- (d) Not to disclose the report to any other party except where required by law or with our prior written consent.

Responsibility of the Engaging Party

The Ausgrid Group has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Ausgrid Group is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's responsibility

We have conducted the agreed-upon procedures engagement in accordance with the Australian Standard on Related Services ASRS 4400 *Agreed-Upon Procedures Engagements*.

An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Ausgrid Group, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures. This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, BARANGAROO NSW 2000, GPO BOX 2650 SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au
Level 11, 1PSQ, 169 Macquarie Street, PARRAMATTA NSW 2150, PO Box 1155 PARRAMATTA NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Professional ethics and quality control

In respect of the Responsible Party, we have complied with the ethical requirements of the Accounting Professional & Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (APES 110), including the independence requirements in Part 4A of APES 110.

Our firm applies Australian Standard on Quality Management ASQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and findings

We have performed the procedures described below, with additional details included in Appendix 1, which were agreed with the Ausgrid Group for the purpose of assisting the Ausgrid group with the 2025 storm cost pass through application to the AER.

No.	Procedures performed	Findings	Errors or exceptions identified
1	Agree the total costs included in the Ausgrid 2025 Storm Pass-Through application to the Australian Energy Regulator ("AER") to the detailed expense listing generated from Ausgrid systems (Ausgrid CRM and SAP ECC 6).	Our procedures confirmed that the costs extracted from Ausgrid's financial reporting system agreed to amounts reported in the Storm costs pass through application.	No errors or exceptions identified.
2	<p>Using the detailed expense listings from procedure 1, we will select a sample of 30 by first selecting 5 samples with the highest value, then haphazardly selecting the remaining 25 samples from the listings. For these samples, we will obtain supporting documentation (such as, but not limited to invoices, contracts, and timesheets) to check:</p> <ol style="list-style-type: none"> 1. The costs had been incurred 2. The cost was incurred on or after the storms, which began on 15 January 2025. <p>If the sample selected relates to customer claims or storm-related job notifications for work not yet carried out, we will perform procedures 3 –5 instead.</p>	<p>We selected 5 targeted sampled cost items and the 25 randomly selected sampled cost items. 3 out of the 25 randomly selected samples related to customer claims, see procedure 3 for details.</p> <p>Our procedures confirmed the existence of supporting documentation for the 27 samples that were not customer claims. We were able to agree our samples to the supporting documentation.</p> <p>Our procedures also confirmed that the costs were incurred on or after 15 January 2025.</p>	No errors or exceptions identified.
3	For any customer claims for work not yet carried out selected in our sample, we will check the existence of these claims by inspecting the original customer claim on the Ausgrid customer relationship management (CRM) system. (Note that Ausgrid will estimate the costs relating to customer claims for works not yet carried out. We will not perform any procedures on the estimates other than those performed in procedure 5.)	Our procedures confirmed the 3 customer claims selected in our sample were agreed to the original underlying customer claim.	No errors or exceptions identified.
4	For any pending work selected in our sample, we will check the existence of the storm-related job	N/A – no such samples were	N/A – no such

No.	Procedures performed	Findings	Errors or exceptions identified
	notification related to the pending work by inspecting the storm related job notification on SAP ECC 6 (Note that Ausgrid will estimate the costs relating to customer claims for works not yet carried out. We will not perform any procedures on the estimates other than those performed in procedure 5).	selected.	samples were selected.
5	For any pending work from customer claims or storm-related job notifications that we have selected in our sample, we will recalculate and test the mathematical accuracy of the cost estimation made for these samples.	Our customer claim samples did not have an element of estimation, so no further work was required under Procedure 5 for these samples.	N/A – no such samples were selected.

Restriction on Distribution and Use of Report

This report is intended solely for the use of management and the AER for the purpose set out above. As the intended user of our report, it is for you and other intended users to assess both the procedures and our factual findings to determine whether they provide, in combination with any other information you 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 other intended users identified in the terms of the engagement (since others, unaware of the reasons for the procedures, may misinterpret the results). Accordingly, we expressly disclaim and do not accept any responsibility or liability to any party other than the Ausgrid Operator Partnership and the AER for any consequences of reliance on this report for any purpose.

Mark Schubert

PricewaterhouseCoopers



Mark Schubert
Partner

Sydney
15 May 2025



Appendix A

Procedure 1

To confirm the costs extracted from Ausgrid's financial reporting system agreed to amounts reported in the Storm Season Application, management provided the listing of storm costs from the financial reporting system, SAP.

Balance of listings obtained (nominal): \$20.1m

Real FY24 balance of listings (escalation factor 0.9741*): \$19.6m

Real FY24 per application: \$19.6m

*The escalation factor is the forecasted inflation rate used by the AER. PwC has not performed any procedures over the escalation factor as per the scope agreed with management.

Procedure 2

We selected 5 targeted sampled cost items and the 25 randomly selected sampled cost items. 3 out of the 25 randomly selected samples related to customer claims, see procedure 3 for details.

For the 27 samples (30, excluding the 3 customer claims), PwC agreed the amounts in the list to supporting documents to confirm:

- The costs had been incurred
- The cost was incurred on or after the storms, which began on 15 January 2025

We found that all samples agreed to supporting documents and were incurred on or after 15 January - i.e. the date of the storm event.

Through our procedures, we found that 3 out of 5 of our targeted samples had an element of estimation. We were able to agree the non-estimated elements to supporting documentation. For the estimation element, we performed a recalculation of the estimates made to confirm the mathematical accuracy of the calculation. No issues were noted.

Procedure 3

Our sample contained 3 customer claims. Customer claims are paid out at the lower of \$250 and the actual claimed amount from the customer. Our procedures confirmed that the expense recognised for our samples are at the lower of \$250 or the actual claim amount made. Our procedures also confirmed the existence of the original claim from the customer.

Procedure 4

Not applicable – no pending work samples were selected in our sample.

Procedure 5

Our customer claim samples did not have an element of estimation, so no further work was required under Procedure 5 for these samples.