



# Endeavour Energy

Independent Assurance Report on Annual  
Ring-fencing Compliance for the reporting  
period ended 31 December 2025

28 April 2026

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# EXECUTIVE SUMMARY

## Introduction

Endeavour Energy Network Operator Partnership (“Endeavour Energy”) is a licensed electricity distribution network service provider (“DNSP”), that builds, maintains, and operates the electricity network in Central West NSW, the Blue Mountains, Greater Western Sydney, the Southern Highlands, the Illawarra, and the South Coast. Endeavour Energy operations are subject to the National Electricity Law (“NEL”) and National Electricity Rules (“NER”) which regulate the National Electricity Market (“NEM”).

The Australian Energy Regulator (“AER”) is the economic regulator over DNSPs in the national electricity market (“NEM”). The role of AER includes monitoring compliance with the Ring-fencing Guideline – Electricity Distribution Version 4 (the “Guideline”) issued under clause 6.17.2 of the National Energy Rules.

DNSPs are required to prepare an annual report on ring-fencing compliance for submission to the AER. This compliance report must include:

- The measures the DNSP has taken to ensure compliance with its obligations under the Guideline
- Any breaches of the Ring-fencing Guideline by the DNSP, or which otherwise relate to the DNSP
- All other services provided by the DNSP in respect of Clause 3.1 in the Guideline
- The purpose of all transactions between the DNSP and an affiliated entity.

In accordance with Guideline clause 6.2.1(c), DNSPs are required to accompany their annual compliance report with an assessment of compliance, performed by a suitably qualified independent authority.

## Scope

Ernst and Young (“We” or “we”) have been engaged to perform a “reasonable assurance engagement” as defined by Standards on Assurance Engagements, pursuant to Section 6.2.1 (c) Compliance Reporting of the Guideline to report on Endeavour Energy’s compliance with the Guideline for the period 1 January 2025 to 31 December 2025.

## Methodology

Endeavour Energy has prepared an annual compliance report under the Guideline for the period from 1 January 2025 to 31 December 2025.

We obtained an understanding of the Guideline and other engagement circumstances specific to Endeavour Energy, sufficient to enable the identification and assessment of the risk of non-compliance with the Guideline for the period from 1 January 2025 to 31 December 2025.

We tested the obligation clauses as per the Guideline and conducted interviews with key stakeholders to understand how Endeavour Energy satisfies each obligation. From our interviews we identified the relevant key policies and procedures, processes and controls that management has put in place to satisfy each obligation.

We performed an analysis of the controls that management has put into place to comply with each obligation, to understand whether control gaps exist which could enable an obligation to remain unsatisfied.

We conducted sample testing of the identified controls where applicable to determine whether Endeavour Energy complied, in all material respects, with the Guideline for the period from 1 January 2025 to 31 December 2025. Our sample sizes was determined using professional judgement.

We have reviewed the annual compliance report prepared by Endeavour Energy for the period ended 31 December 2025 as part of our process of understanding the overall compliance strategy, internal controls in place and findings reported during the reporting period.

Compliance has been assessed to a level of reasonable assurance in accordance with Standard on Assurance Engagement ASAE3100 Compliance Engagements.

## Conclusion

There has been one non-compliance matter noted for the period from 1 January 2025 – 31 December 2025. This has been appropriately included in Endeavour Energy’s Ring-fencing Annual Compliance Report.

Refer to page 30 of the report for the assurance conclusion.

# EXECUTIVE SUMMARY (CONTINUED)

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This section provides a summary of Endeavour Energy's compliance with the ring-fencing obligations.

Section	Obligation	Endeavour Energy's Assessed compliance rating	EY Control Assessment
3.1	Legal separation	Compliant	Effective
3.2.1	Establish and maintain accounts	Compliant	Effective
3.2.2	Cost Allocation and attribution	Compliant	Partially effective
4.1	Obligation not to discriminate	Compliant	Effective
4.2.1	Physical separation / co-location	Compliant	Partially effective
4.2.2	Staff sharing	Compliant	Partially effective
4.2.3	Brand and cross-promotion	Compliant	Effective
4.2.4	Office and staff registers	Compliant	Effective
4.3	Information access and disclosure	Compliant	Effective
4.4	Service providers	Compliant	Effective
5	Waivers	Non-Compliant*	Partially effective
6.1	Maintaining compliance	Compliant	Effective
6.2	Compliance reporting	Compliant	Effective
6.3	Compliance breaches	Compliant	Effective

\*This has been appropriately included in Endeavour Energy's Ring-fencing Annual Compliance Report.

# EXECUTIVE SUMMARY (CONTINUED)

This section provides a summary of the results of our procedures, including our assessment of the compliance rating, control effectiveness rating, observations and recommendations (where applicable) with regards to Endeavour Energy’s ring-fencing obligations.

## Control effectiveness rating



Breach

NOT EFFECTIVE

**Not Effective**  
Controls in place are not effective in meeting the obligation of the Ring-fencing Guideline.

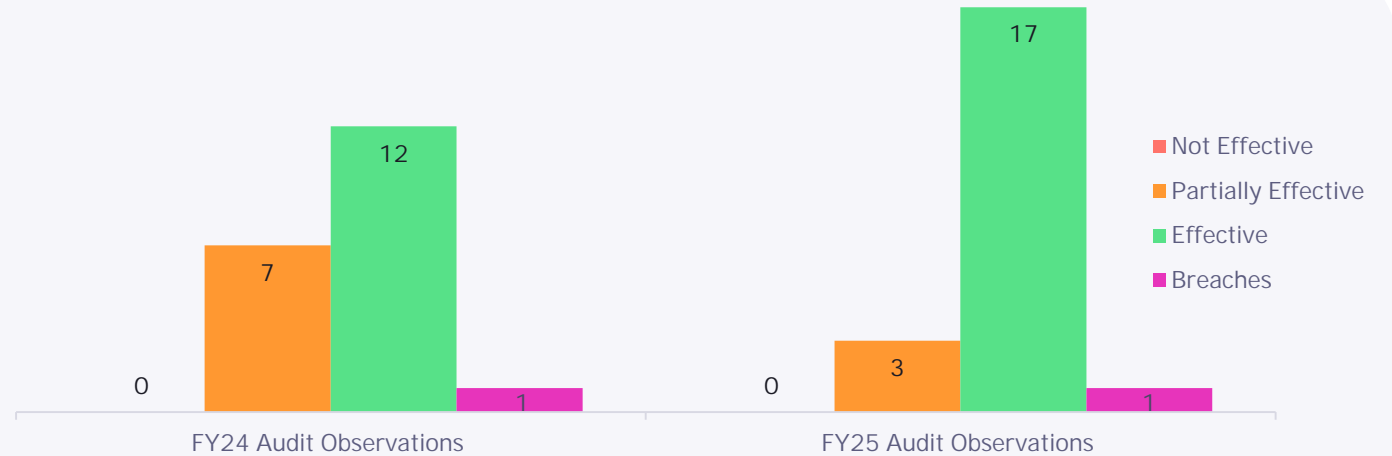
PARTIALLY EFFECTIVE

**Partially Effective**  
Controls in place are partially effective in meeting the obligation of the Ring-fencing Guideline.

EFFECTIVE

**Effective**  
Controls in place are effective in meeting the obligation of the Ring-fencing Guideline

Summary of Observations



Summary of Observations (All categories)	NOT EFFECTIVE	PARTIALLY EFFECTIVE	EFFECTIVE	Breach
Reported in the 2024 independent assurance report	0	7	12	1
Resolved 2024 observations	0	(5)	5	(1)
New observation raised in 2025	0	1	0	1
<b>Total unresolved observations for 31 December 2025</b>	<b>0</b>	<b>3</b>	<b>17</b>	<b>1</b>

## 2024 OBSERVATIONS - RESOLVED

As part of our 2025 assessment process, we have assessed the recommendations made in the 2024 assessments and the remediation performed by Endeavour Energy to address them.

Clause	Obligations	Compliance rating / control rating	2024 Observation	2024 EY recommendation	Endeavour Energy's remediation performed
3.2.2	Establish and maintain accounts Cost allocation and attribution	<p>Compliant</p> <p>PARTIALLY EFFECTIVE</p> <p>Compliant</p> <p>PARTIALLY EFFECTIVE</p>	<p><i>Cost Allocation Methodology:</i> One of the key controls in this process is an annual review and preparation of the annual recharge memo, which consist of reviewing the scope and prices of services that Endeavour Energy provide to Ausconnex, their Related Electricity Service Provider (“RESP” or “Ausconnex”). This control was performed on 30 September 2024 and thus not aligned with the Annual Ring-fencing reporting period.</p> <p><i>Update of the Cost Allocation Methodology:</i> We noted that internal process documents as well as the approved CAM still refers to the predecessor Enterprise Resource Planning (ERP) systems and have not been updated to reflect the new system that was implemented in 2023. As of March 2025, we note that management have submitted the draft updated CAM to the AER for approval to ensure that the CAM reflects the current ERP system and cost allocation methodology.</p>	<p><i>Cost Allocation Methodology:</i> We recommend the timing of the review of the Annual recharge memo is performed as part of the 30 June close process in order to comply with the financial year end and ring-fencing period end requirements.</p> <p><i>Update of the Cost Allocation Methodology:</i> We understand that management is well progressed in the process of updating their CAM to reflect changes in the ERP system and is at the stage of seeking approval of the update from the AER.</p> <p>We note that the key principles of the CAM in management’s updated draft remain consistent wit the approved CAM currently in use.</p> <p>We recommend that the AER approval process is monitored to ensure the update has been published appropriately.</p>	<p><i>Cost Allocation Methodology:</i> The timing of the review and approval of the corporate recharge memorandum was adjusted to align with financial year end. The memorandum for the period 1 July 2025 to 30 June 2026 was prepared and approved by 30 June 2025.</p> <p><i>Update of the Cost Allocation Methodology:</i> Endeavour Energy’s updated Cost Allocation Methodology (CAM) was approved by the AER on 17 March 2025. Following receipt of the AER’s approval on 10 September 2025, the updated CAM was published on the Endeavour Energy website.</p> <p>The remediation performed by Endeavour Energy is considered appropriate and the matter resolved.</p>
4.2.1	Physical Separation / co-location	<p>Compliant</p> <p>PARTIALLY EFFECTIVE</p>	<p>During our site visit to Hoxton Park, we observed that although Endeavour Energy and Ausconnex employees have separate office buildings, security access has been granted to the Endeavour Energy building for both Endeavour Energy and Ausconnex employees.</p> <p>Notwithstanding access has been granted to Ausconnex employees, management has confirmed that the office space has not been used by Ausconnex to provide contestable electricity services as this is a field service office, and a clean desk policy is implemented to ensure no information can accidentally be shared.</p>	<p>We recommend that access to the Endeavour Energy building at Hoxton Park be restricted for Endeavour Energy employees only, and that a sign-in registry be mandator for all Ausconnex employees.</p>	<p>Access arrangements at the Hoxton Park FSC were reviewed during the reporting period. Access by Ausconnex was confirmed to be minimal and limited to use of shared amenities, with no access for the purpose of providing contestable electricity services.</p> <p>The remediation performed by Endeavour Energy is considered appropriate and the matter resolved.</p>

## 2024 OBSERVATIONS – RESOLVED (CONTINUED)

Clause	Obligations	Compliance rating / control rating	2024 Observation	2024 EY recommendation	Endeavour Energy's remediation performed
4.2.3	Branding and cross-promotion	Compliant <b>PARTIALLY EFFECTIVE</b>	<p>As part of our site visit, we observed that assets used by Ausconnex at the Glendenning site had Endeavour Energy branding on the assets (cable drums) that will be utilised by the Ausconnex customer.</p> <p>The guidance requires that the branding for direct control services is independent and separate from the branding used by a related electricity service provider for contestable electricity services such a reasonable person would not infer from the respective branding that Endeavour Energy and the related electricity service provider are related (clause 4.2.3 (i) in detailed observation 4.10)</p> <p>Whilst branding for Endeavour Energy was included on assets used by Ausconnex, we have concluded that this does not result in an instance of branding in such a way that a reasonable person would infer Endeavour Energy and Ausconnex are related. This is because the branding was not used to actively promote or market the relationship.</p> <p>Further, Clause 4.2.3(b)(iii) of the guideline notes that branding in connection with the use of an asset used by the DNSP for contestable electricity services and direct control services does not apply. In the case of the assets used by Ausconnex which also had Endeavour Energy branding, we note that these assets are also used by Endeavour Energy for direct control services.</p>	<p><i>Branding</i> We recommend Endeavour Energy branding included on the assets are removed before they are used/sold to Ausconnex customers.</p>	<p><i>Branding</i> The use of Endeavour Energy branding on cable drums was reviewed. The branding is used for the identification of asset ownership and is not a form of advertisement. Cable drums are reused, rather than disposed of, to avoid the cost associated with purchasing new drums each time cable is procured. We understand that this approach also aligns with Endeavour Energy sustainability strategy to reduce waste and extend asset use.</p> <p>The positions taken by Endeavour Energy that customers are already aware of the relationship before the cable drums are obtained is considered reasonable. The matter has been resolved.</p>

## 2024 OBSERVATIONS – RESOLVED (CONTINUED)

Clause	Obligations	Compliance rating / control rating	2024 Observation	2024 EY recommendation	Endeavour Energy's remediation performed
4.2.4	Office and staff register	Non-compliant <b>PARTIALLY EFFECTIVE</b>	<p>In line with clause 4.2.4 (b), the office and staff register is required to be updated and published to the Endeavour Energy website each quarter, with Q4 required to be published by 15 January 2025.</p> <p>During the audit process, we identified that the Q4 staff sharing register was not published on the Endeavour Energy website by 15 January 2025.</p> <p>Whilst we have observed evidence that the Q4 staff sharing register was completed, approved by management internally and uploading to the website was attempted, due to a technological error, the Q4 staff sharing report was not uploaded until after this date.</p> <p>We do not consider failure to publish one quarter of the staff sharing register to be material to the overall compliance of Endeavour Energy as this was subsequently corrected and did not have a material change to the outcome of staff shared. Further, we have obtained evidence to support Endeavour Energy's attempts to upload the appropriate staff sharing register which did not have any adverse findings.</p> <p>Therefore, whilst a technological error precluded Endeavour Energy from uploading on the appropriate date, as there was both appropriate intent from management and the fact there were no adverse findings, we have concluded that this observation is not material to our overall opinion on Endeavour Energy's compliance to the Ring-fencing Guideline.</p>	<p>We recommend that once a register is approved to be uploaded onto Endeavour Energy's website, an independent check is performed to ensure this has been actioned and the latest version is on the website.</p>	<p>Additional verification checks were implemented to confirm that registers uploaded to Endeavour Energy's website each quarter are successfully published and that the most current versions are publicly available.</p> <p>We have not identified any exceptions for the 2025 reporting period. The remediation performed by Endeavour Energy is considered appropriate and the matter resolved.</p>

## 2025 OBSERVATIONS - OPEN

The 2025 observations and reference to details within this report, where applicable, are outlined below:

Clause	Obligations	Compliance rating / control rating	Observations	EY recommendation
3.2.2	<p>Establish and maintain accounts Cost allocation and attribution</p> <p><i>(a) A DNSP must allocate or attribute costs (including costs allocated or attributed to the DNSP by a parent entity) to distribution services in a manner that is consistent with the Cost Allocation Principles and its approved CAM, as if the Cost Allocation Principles and CAM otherwise applied to the allocation and attribution of costs between distribution services and non-distribution services</i></p> <p><i>(b) A DNSP must only allocate or attribute costs to distribution services in accordance with clause 3.2.2(a) and must not allocate or attribute other costs to the distribution services it provides.</i></p> <p><i>(c) A DNSP must establish, maintain and keep records that demonstrate how it meets the obligations in clauses 3.2.2(a) and 3.2.2(b).</i></p> <p><i>(d) A DNSP must only allocate or attribute costs to distribution services in accordance with clause 3.2.2(a) and must not allocate or attribute other costs to the distribution services it provides.</i></p>	<p>Compliant</p> <p><b>PARTIALLY EFFECTIVE</b></p>	<p><i>Cost Allocation Methodology (2024 observation):</i></p> <p>The AER approved Cost Allocation Methodology (CAM) which is used to allocate overhead costs from Endeavour Energy to Ausconnex, defines cost allocators required to be used in this process.</p> <p>The basis of the estimates used in the cost allocators have not been updated or assessed during the reporting period as to whether an update is required based on current business developments.</p> <p>Although the methodology and results are aligned with the CAM, which does not specify what the estimates will be based on (actual or budgeted costs) or how often the estimates should be updated, there is an opportunity to refine the process in order to more accurately reflect the costs associated with the Ausconnex business.</p>	<p><i>Cost Allocation Methodology (2024 observation):</i></p> <p>We recommend Management assess the underlying estimates associated with the cost allocators in order to align the cost allocated to actual costs incurred at least annually or when a significant change occurs.</p> <p><i>2025 update:</i></p> <p>The underlying estimates associated with cost allocators are being assessed to confirm alignment between costs allocated and actual costs incurred. This review is scheduled to be completed by 30 September 2026.</p> <p>We understand that this does not materially change the cost allocated to Ausconnex, but we recommend the formal assessment is documented and adjustments made where appropriate.</p> <p>As the remediation has not been completed during the time of the compliance report, this matter remains open for the 2025 assurance report.</p>

## 2025 OBSERVATIONS – OPEN (CONTINUED)

Clause	Obligations	Compliance rating / control rating	Observations	EY recommendation
4.2.2	<p>Staff Sharing</p> <p><i>(a) subject to this clause 4.2.2, a DNSP must ensure that its staff involved in the provision or marketing of direct control services are not also involved in the provision or marketing of contestable electricity services by a related electricity service provider</i></p>	<p>Compliant</p> <p>PARTIALLY EFFECTIVE</p>	<p>During our review of the 2025 Q4 staff sharing register, we observed that two Advanced Distribution Management System (ADMS) staff members were listed as staff shared between Endeavour Energy and Ausconnex. These individuals are ring-fenced as their roles relate to the provision of direct control services and due to their access to electricity information.</p> <p>Upon further investigation, we confirmed that Endeavour Energy ADMS staff did not deliver any contestable electricity services to Ausconnex. The services related to integration works for High Voltage Customer (HVC) connections. The cost associated with the connection were incorrectly allocated to Ausconnex, which led to the erroneous inclusion of an ADMS staff member on the 2025 Q4 staff sharing register. The costs have been subsequently reversed.</p>	<p>In addition to the current detection controls, we recommend implementing a preventative IT control to prevent any time charged by ring-fenced Endeavour Energy employees to an Ausconnex project.</p>
4.2.3	<p>Branding and Cross-promotion</p> <p><i>(a) A DNSP:</i></p> <ul style="list-style-type: none"> <li><i>i. Must use branding for its direct control services that is independent and separate from the branding used by a related electricity service provider for contestable electricity services, such that a reasonable person would not infer from the respective branding that the DNSP and the related electricity service provider are related;</i></li> <li><i>ii. Must not advertise or promote its direct control services and its contestable electricity services that are not direct control services together (including by way of cross-advertisement);</i></li> <li><i>iii. Must not advertise or promote its direct control services provided by a related electricity service provider other than the DNSP itself</i></li> </ul>	<p>Compliant</p> <p>PARTIALLY EFFECTIVE</p>	<p><i>Visitor registration sign in page (2024 observation):</i></p> <p>We observed that that the sign in register at the Ausconnex offices listed both Ausconnex and Endeavour Energy as the entities of the site.</p> <p>Whilst branding for Endeavour Energy was included on the same sign in register at Ausconnex offices, we have concluded that this does not result in an instance of branding in such a way that a reasonable person would infer Endeavour Energy and Ausconnex are related. This is because the branding was not used to actively promote or market the relationship.</p>	<p><i>Visitor registration sign in page (2024 observation):</i></p> <p>We recommend that Ausconnex maintain a separate sign in sheets (which excludes any Endeavour Energy Branding) to monitor access and avoid any potential confusion as to which entity the visitor is dealing with.</p> <p><i>2025 update:</i></p> <p>A separate instance of Endeavour Energy's visitor registration system has been created and uniquely branded for Ausconnex locations. The system upgrade has been installed, and user access configuration is in the process of being finalised. This system enhancement is scheduled to be completed by 31 May 2026.</p> <p>As the remediation has not been completed during the time of the compliance report, this matter remains open for the 2025 assurance report.</p>

# BREACHES

The findings and reference to details within this report, where applicable, are outlined below:

Ring-fencing Guideline	Compliance rating / control rating	Breach reported	Matters resolved and action taken
<p>5.7 Waivers</p> <p><i>(a) A DNSP must establish, maintain and keep a register of all waivers (including any variation of a waiver) granted to the DNSP by the AER under clause 5 of this Guideline, and must make the register publicly available on its website.</i></p> <p><i>(b) The register established under clause 5.7(a) must include:</i></p> <p><i>i. the description of the conduct to which the waiver or interim waiver applies; and</i></p> <p><i>ii. the terms and conditions of the waiver or interim waiver; as set out in the AER's written decision, provided by the AER to the DNSP, to grant (or vary) the waiver or interim waiver.</i></p>	<p>Non-compliant</p> <p><b>PARTIALLY EFFECTIVE</b></p>	<p>Waiver Register</p> <p>We note that Endeavour Energy obtained a waiver to deliver Certificate III in Electricity Supply Industry (Distribution Overhead) training to Evoenergy staff.</p> <p>The waiver was granted on 15th of September 2025; however, whilst it was made publicly available on the AER website on 15 September 2025 it was not included in the Q3 Register. This was an administrative oversight, and it was appropriately included in the Q4 Register from 1 January 2026.</p> <p>We also note that although the Q3 2025 Waiver Register had not been updated to include the waiver granted by the AER on 15 September 2025, no contracts were executed and no training was delivered under the scope of the waiver during the period it did not appear on the register.</p>	<p>This was an administrative oversight, and it was appropriately included in the Q4 Register.</p> <p>This breach has been appropriately reported to the AER and included in Endeavour Energy's Ring-fencing Annual Compliance Report.</p>

# DETAILED OBSERVATIONS

Refer to Guidance Assessment Criteria and Assessment Controls for each provision of the Guideline per section 6.2.1(c) below:

Obligation: Prevention of cross subsidies – Section 3 – Legal separation

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
3.1(a) Compliant	A DNSP must be a legal entity.	<ul style="list-style-type: none"> <li>Endeavour Energy maintains an Australian Business Number (ABN) (RF.3.001)</li> <li>A clearly defined Legal Entity Structure for the Endeavour Energy is maintained (RF.3.003)</li> </ul>	<ul style="list-style-type: none"> <li>Obtained and inspected the Legal Entity Structure for Endeavour Energy and Ausconnex through inquiry of management and review of supporting documentation.</li> <li>Conducted an ABN lookup of Endeavour Energy and Ausconnex.</li> <li>Performed an Australian Securities and Investments Commission (ASIC) search on Endeavour Energy and Ausconnex using their Australian Company Number (ACN).</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed we have not identified any exceptions or instances of non-compliance.</p>
3.1(b) Compliant	A DNSP may provide distribution services and transmission services but must not provide other services.	<ul style="list-style-type: none"> <li>Endeavour Energy's Distribution Licence under the Electricity Supply Act 1995 (NSW) is current (RF.3.002)</li> </ul>	<ul style="list-style-type: none"> <li>Obtained a listing of ongoing projects that are in progress or completed during the compliance period, future projects and considered whether all services provided by the DNSP is in relation to distribution services only.</li> <li>Reviewed the waiver obtained to enable Endeavour Energy to provide training services to Evoenergy. We note that although the waiver was obtained, no training services have been provided for the reporting period.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed we have not identified any exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Obligation: Prevention of cross subsidies – Section 3 – Establish and maintain accounts

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>3.2.1</p> <p>Compliant</p>	<p>(a) a DNSP must establish and maintain appropriate internal accounting procedures to ensure that it can demonstrate the extent and nature of transactions between the DNSP and its affiliated entities</p>	<ul style="list-style-type: none"> <li>Contractual arrangements between Endeavour Energy and Ausconnex are formally defined in the Business Support Agreement</li> <li>The nature, extent and attribution of costs between Endeavour Energy and Ausconnex are defined and applied in accordance with the Accounting for Ausconnex Fundamentals, which supports Endeavour Energy's approved and published Cost Allocation Methodology</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed the business support agreement between Endeavour Energy and Ausconnex for the range of services offered.</li> <li>Reviewed Endeavour Energy's accounting practices in accordance with the Accounting for Ausconnex Fundamentals and confirmed that it adheres to the Ring-fencing Guideline.</li> <li>Reviewed Endeavour Energy's CAM and performed a check to ensure it has been approved by the AER and published on the website.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed, we have not identified any exceptions or instances of non-compliance.</p>
<p>3.2.2</p> <p>Compliant</p>	<p>(a) a DNSP must allocate or attribute costs (including costs allocated or attributed to the DNSP by a parent entity) to distribution services in a manner that is consistent with the Cost Allocation Principles and its approved CAM, as if the Cost Allocation Principles and CAM otherwise applied to the allocation and attribution of cost between distribution services and non-distribution services</p> <p>(b) a DNSP must only allocate or attribute costs to distribution services in accordance with clause 3.2.2(a) and must not allocate or attribute other costs to the distribution services it provides</p> <p>(c) A DNSP must establish, maintain and keep records that demonstrate how it meets to obligations in clause 3.2.2(a) and must not allocate or attribute other costs to the distribution services it provides</p>	<ul style="list-style-type: none"> <li>The nature, extent and attribution of costs between Endeavour Energy and Ausconnex are defined and applied in accordance with the Accounting for Ausconnex Fundamentals, which supports Endeavour Energy's approved and published Cost Allocation Methodology</li> <li>An annual review is undertaken by Finance of the Accounting for Ausconnex Fundamentals document</li> <li>Separate Financial and Accounting records are maintained for Endeavour Energy and Ausconnex</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed Endeavour Energy's accounting practices in accordance with the Accounting for Ausconnex Fundamentals and confirmed that it adheres to the Ring-fencing Guideline.</li> <li>Reviewed Endeavour Energy's CAM and verified it has been approved by the AER and published on the website.</li> <li>Reviewed the Corporate Recharge Memorandum which outlines the attribution of corporate costs between Endeavour Energy and Ausconnex in line with the CAM.</li> <li>Reviewed the corporate structure, separate accounting companies in the ERP system (SAP), and business support agreements to ensure that each entity was distinctly identified.</li> <li>Selected samples from the intercompany recharge journal records for the period ended 31 December 2025 to confirm that costs related to Ausconnex had been appropriately allocated.</li> </ul>	<p><b>PARTIALLY EFFECTIVE</b></p> <p>Refer to section 2025 Observations for the remaining open observation and recommendation.</p> <p>We note that this was in relation to a 2024 observation that remains open for the 2025 assurance report.</p> <p>Based on the procedures performed, we have not identified any other exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Obligation: Functional separation – Section 4 – Obligation to not discriminate

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>4.1(b)</p> <p>Compliant</p>	<p>(b) A DNSP must not discriminate (either directly or indirectly) between a related electricity service provider and a competitor (or potential competitor) of a related electricity service provider in connection with the provision of:</p> <ul style="list-style-type: none"> <li>i. direct control services by the DNSP (whether to itself or to any other legal entity); and / or</li> <li>ii. contestable electricity services by any other legal entity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Education and awareness is provided to employees to enhance their understanding and compliance with the Guideline. (RF.O.001)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Obtained and reviewed the online training model (Competing Fairly 3.0 – Training Module) to assess whether the ring-fencing obligations have been appropriately addressed in line with the AER Ring-fencing Guideline.</li> <li>▪ Reviewed the Competing Fairly instruction, which sets out practical behavioural expectations for Endeavour Energy employees when interacting with Ausconnex and other ASPs.</li> <li>▪ Reviewed the training course compliance report and to determine whether there are any employees that have not completed the Ring-fencing training.</li> <li>▪ Tested a sample of newly hired employees and confirmed they completed the training.</li> <li>▪ Review Senior Leaders Monthly Training Slides for March 2025, September 2025, December 2025 as part of understanding training provided to staff performing shared services including the executive leaders (ELT).</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed, we have not identified any exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
4.1(c-d) Compliant	<p>(c) Without limiting its scope, clause 4.1 (b) requires a DNSP to:</p> <ul style="list-style-type: none"> <li>i. in dealing or offering to deal with a related electricity service provider, treat the related electricity service provider as if it were not a related electricity service provider (that is, as if it had no connection or affiliation with the DNSP);</li> <li>ii. in like circumstances, deal or offer to deal with a related electricity service provider and a competitor (or potential competitor) of the related electricity service provider on substantially the same terms and conditions;</li> <li>iii. in like circumstances, provide substantially the same quality, reliability and timeliness of service to a related electricity service provider and a competitor (or potential competitor) of the related electricity service provider;</li> <li>iv. subject to clause 4.3.2(b), not disclose to a related electricity service provider information the DNSP has obtained through its dealings with a competitor (or potential competitor) of the related electricity service provider where the disclosure would, or would be likely to, provide an advantage to the related electricity service provider</li> </ul> <p>(d) A DNSP must not discriminate (either directly or indirectly) between any two legal entities, in connection with the supply of contestable electricity services by those legal entities, on the basis of the use by one or both of those legal entities of assets owned, operated or otherwise controlled (in whole or in part) by the DNSP</p>	<ul style="list-style-type: none"> <li>▪ Company Procedure GAM1100, together with the Information Sharing Protocol and Approach published on the website, establishes and governs the process for managing electricity information requests. (RF.4.008)</li> <li>▪ Information Sharing Register is updated on a quarterly basis and published on the website no later than 15 January, 15 April, 15 July and 15 October annually. (RF.4.009)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Obtained Company Procedure GAM1100 – Electricity Information Requests, along with the Information Sharing Protocol and Approach, to assess compliance with the AER Ring-fencing Guideline.</li> <li>▪ Reviewed the documents and confirmed that the Information Sharing Protocol &amp; Approach and GAM1100 comply with Clause 4.3 of the AER Ring-fencing Guideline (Information Access and Disclosure). Specifically, the documents meet the requirements related to: <ul style="list-style-type: none"> <li>▪ equal access to Electricity Information (Clause 4.3.1),</li> <li>▪ protection of ring-fenced information (Clause 4.3.2),</li> <li>▪ management of information requests (Clause 4.3.3), and</li> <li>▪ maintaining and publishing the Information Sharing Register (Clause 4.3.4)</li> </ul> </li> <li>▪ Confirmed that the information sharing registers are published on Endeavour Energy’s website within the required period.</li> <li>▪ For a sample of selected quarters, EY reviewed the contents of the Information Sharing Register and confirmed that approved access to information was consistent with the principles of the Ring-fencing Guideline. EY also obtained all Information Sharing Registers for the reporting period as part of the procedure.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed, we have not identified any exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Obligation: Functional separation – Section 4 – Offices, staff, branding and promotions

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>4.2.1</p> <p>Compliant</p>	<p>Subject to this clause 4.2.1, in providing direct control services, a DNSP (Endeavour Energy) must use offices that are separate from any offices from which a related electricity service provider provides contestable electricity services</p> <p>Clause 4.2.1(a) does not apply in respect of:</p> <p>i. offices for staff who, in the course of their duties:</p> <p>a. do not have access to electricity information;</p> <p>b. have access to electricity information but do not have, in performing the roles, functions or duties of their staff position, any opportunity to use that electricity information to engage in conduct that is contrary to the DNSP's obligations under clause 4.1; or</p> <p>c. only have access to electricity information to the extent necessary to perform services that are not electricity services (such as general administration, accounting, payroll, human resources, legal or regulatory, or information technology support services).</p> <p>ii. providing assistance to the extent necessary to an event (such as an emergency) that is beyond a Network Service Provider's reasonable control;</p> <p>iii. regional offices, except to the extent that this exemption has been varied or revoked under clause 5.6; or</p> <p>iv. any arrangements authorised in accordance with the waiver process set out in clause 5 of this Guideline.</p>	<ul style="list-style-type: none"> <li>▪ The Office Sharing Register is updated on a quarterly basis and published on the website no later than 15 January, 15 April, 15 July and 15 October annually (RF.4.001)</li> <li>▪ Ausconnex maintain separate physical locations from Endeavour Energy staff providing Direct Control Services (RF.4.002)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inquired with management of the process undertaken to identify shared locations as well as review appropriateness of governance arrangements and Executive or Board oversight by inquiring the process with management.</li> <li>▪ Reviewed licences for the two office locations used collectively by Endeavour Energy and Ausconnex.</li> <li>▪ Verified the floor plan inspection by the Regulatory Assurance team to ensure that physical separation requirements are satisfied.</li> <li>▪ Reviewed the office sharing register kept by Endeavour Energy.</li> <li>▪ Inquired with office managers in charge of granting access to each of the premises and the associated separation measures in place to ensure it is in acceptable under the Guideline.</li> <li>▪ Reviewed access listing of card holders for both Endeavour Energy and Ausconnex at Glendenning Central Logistics Facility and Hoxton Park Transformer Workshop to consider whether personal with sensitive electricity information shared the space.</li> <li>▪ Reviewed physical separation/co-location has been included as part of Ring-fencing training provided to Staff members as well as training being provided to <b>Property</b> team as they will be in charge of the process for site access.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed, we have not identified any exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>4.2.2 (a)</p> <p>Compliant</p>	<p>Subject to this clause 4.2.2, a DNSP must ensure that its staff involved in the provision or marketing of direct control services are not also involved in the provision or marketing of contestable electricity services by a related electricity service provider.</p> <p>Clause 4.2.2(a) does not apply in respect of:</p> <p>i. a member of staff who, in the course of their duties:</p> <p>a. does not have access to electricity information;</p> <p>b. has access to electricity information but does not have, in performing the roles, functions or duties of their staff position, any opportunity to use that electricity information to engage in conduct that is contrary to the DNSP's obligations under clause 4.1; or</p> <p>c. only have access to electricity information to the extent necessary to perform services that are not electricity services (such as general administration, accounting, payroll, human resources, legal or regulatory, or information technology support services).</p> <p>ii. providing assistance to the extent necessary to an event (such as an emergency) that is beyond a Network Service Provider's reasonable control;</p> <p>iii. regional offices, except to the extent that this exemption has been varied or revoked under clause 5.6; or</p> <p>iv. any arrangements authorised in accordance with the waiver process set out in clause 5 of this Guideline.</p>	<ul style="list-style-type: none"> <li>Contractual arrangements between Endeavour Energy and Ausconnex are formally defined in the Business Support Agreement. (RF.3.004)</li> <li>The nature, extent, and attribution of costs between Endeavour Energy and Ausconnex are defined and applied in accordance with the Accounting for Ausconnex Fundamentals, which supports Endeavour Energy's approved and published Cost Allocation Methodology. (RF.3.005)</li> <li>Staff Sharing Register is updated on a quarterly basis and published on the website no later than 15 January, 15 April, 15 July and 15 October annually. (RF.4.003).</li> </ul>	<ul style="list-style-type: none"> <li>Review the Business Support Agreement for nature of the services and staff shared and ensured that the business support agreement is signed from the client.</li> <li>Inquired with the Manager People &amp; Culture Operations to confirm that the review of job descriptions has occurred according to the appropriate and agreed upon frequency for each BU. Confirmed for situations where the review identified roles or activities which should be discontinued, ensure that these required actions were implemented within the review period.</li> <li>Obtained the Staff Sharing Register from the Endeavour Energy website and inspected to confirm it complies with the Ring-fencing Guideline.</li> <li>Confirmed that the Staff Sharing Register is updated and reviewed on a quarterly basis. Updates made to the register include changes communicated in the Ring-fencing Guideline.</li> <li>Conducted testing to confirm that the Staff Sharing Register on the website is the most current version and has been reviewed during the regulatory period.</li> <li>Obtained Company Procedure GRG0013 Compliance Reporting and staff sharing flowchart and confirmed the procedure contained principles in relation to staff sharing as per the Ring-fencing Guideline.</li> </ul>	<p><b>PARTIALLY EFFECTIVE</b></p> <p><i>Observation:</i></p> <p>During our review of the 2025 Q4 staff sharing register, we observed that two Advanced Distribution Management System (ADMS) staff members were listed as staff shared between Endeavour Energy and Ausconnex. These individuals are ring-fenced as their roles relate to the provision of direct control services and due to their access to electricity information.</p> <p>Upon further investigation, we confirmed that Endeavour Energy ADMS staff did not deliver any contestable electricity services to Ausconnex. The services related to integration works for High Voltage Customer (HVC) connections. The cost associated with the connection were incorrectly allocated to Ausconnex, which led to the erroneous inclusion of an ADMS staff member on the 2025 Q4 staff sharing register. The costs have been subsequently reversed.</p> <p><i>Recommendation:</i></p> <p>In addition to the detective controls, we recommend implementing a preventative IT control to prevent any time charged by ring-fenced Endeavour Energy employees to an Ausconnex project.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>4.2.2 (c)</p> <p>Compliant</p>	<p>The remuneration, incentives and other benefits (financial or otherwise) a DNSP provides to a member of its staff must not give the member of staff an incentive to act in manner that is contrary to the DNSP's obligations under this Guideline.</p>	<ul style="list-style-type: none"> <li>The nature, extent, and attribution of costs between Endeavour Energy and Ausconnex are defined and applied in accordance with the Accounting for Ausconnex Fundamentals, which supports Endeavour Energy's approved and published Cost Allocation Methodology. (RF.3.005)</li> <li>Endeavour Energy's At-Risk Reward Scheme for Contract Staff does not include any remuneration, incentive or other benefit for staff to act in a manner that is contrary to Endeavour Energy's regulatory obligations. (RF.4.005)</li> <li>Endeavour Energy's Enterprise Bargaining Agreement for EBA staff does not include any remuneration, incentive or other benefit to staff to act in a manner that is contrary to Endeavour Energy's regulatory obligations. (RF.4.006)</li> </ul>	<ul style="list-style-type: none"> <li>Obtained the Enterprise Bargaining Agreement and confirmed that this agreement does not include any remuneration, incentive or other benefit to staff to act in a manner that is contrary to Endeavour Energy's regulatory obligations.</li> <li>Obtained the Scorecard used for senior leaders and considered whether the KPIs would be used to incentivise members of staff (including key management personnel).</li> <li>Assess if the remuneration policies may give rise to a conflict with the Ring-Fencing obligation.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed we have not identified any exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
4.2.3 (a)  Compliant	<p>a) a DNSP:</p> <p>i. must use branding for its direct control services that is independent and separate from the branding used by a related electricity service provider for contestable electricity services, such that a reasonable person would not infer from the respective branding that the DNSP and the related electricity service provider are related;</p> <p>ii. must not advertise or promote its direct control services and its contestable electricity services that are not direct control services together (including by way of cross-advertisement or cross-promotion);</p> <p>iii. must not advertise or promote contestable electricity services provided by a related electricity service provider other than the DNSP itself.</p>	<ul style="list-style-type: none"> <li>Branding, advertising, and promotional activities for Endeavour Energy are independent and separate from Ausconnex. (RF.4.007)</li> </ul>	<ul style="list-style-type: none"> <li>We reviewed the Endeavour Energy Brand Guideline to understand the branding requirements for the DNSP.</li> <li>We reviewed the Ausconnex Branding Guideline to understand the independent branding requirements for the RESP. We compared the brand logos to confirm that the two brands and branding guideline were distinct, with no overlap nor cross branding.</li> <li>We reviewed the respective websites and performed media searches confirming that both brands were advertised or marketed separately in line with the control requirements. For posts noted that mention both the DNSP and the RESP, we performed further enquiries with management to understand the rationale with which these posts were adjudicated and obtained evidence of approval of the posts in line with Endeavour Energy's internal procedure.</li> <li>Reviewed the separate corporate policies and procedures in place to ensure that Ring-fencing requirements are covered in local policy. We noted that all policies are easily accessible on the intranet for both the Endeavour Energy and Ausconnex employees.</li> <li>Policies reviewed included:                             <ul style="list-style-type: none"> <li>Policy 14.1 - Advertising, Communication and Promotional Materials</li> <li>Policy 14.10 - Media and Social Media</li> <li>Company Procedure GMM0001 - Producing advertisements, communication and promotional materials</li> <li>Company Procedure GM003 - Purchase, Use and issue of Branded promotional products</li> <li>Ring-fencing Fact Sheet - Branding and Cross Promotion - Social Media</li> </ul> </li> </ul>	<p><b>PARTIALLY EFFECTIVE</b></p> <p><i>Visitor Registration sign in page</i></p> <p>Refer to section 2025 Observations for the remaining open observation and recommendation.</p> <p>We note that this was in relation to a 2024 observation that remains open for the 2025 assurance report.</p> <p>Based on the procedures performed, we have not identified any other exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>4.2.4 (a)-(b)</p> <p>Compliant</p>	<p>A DNSP must establish, maintain and keep a register that identifies:</p> <ul style="list-style-type: none"> <li>i. the offices to which it has not applied clause 4.2.1(a) by reason of clauses 4.2.1(b)i. or 4.2.1(b)iii.;</li> <li>ii. the staff positions (including a description of the roles, functions and duties) of those staff positions to which it has not applied clause 4.2.2(a) by reason of clauses 4.2.2(b)i.a., 4.2.2(b)i.b., 4.2.2(b)iii. or 4.2.2(d);</li> <li>iii. the staff positions referred to in clause 4.2.4(a)ii. which are held, or have been held within the previous three months, by a member of staff whose access to electricity information ceased upon, or in the 12 months prior to, commencing in that position, and the dates on which that member of staff commenced to hold and (if applicable) ceased to hold that position.</li> </ul> <p>No later than 15 January, 15 April, 15 July and 15 October each year, a DNSP must publish, on its website, an updated version of each of the registers referred to in clause 4.2.4(a).</p>	<ul style="list-style-type: none"> <li>▪ Company Procedure GRG0013 outlines compliance reporting requirements in line with the obligations set out in the Ring-fencing Guideline. (RF.0.002)</li> <li>▪ The Office Sharing Register is updated on a quarterly basis and published on the website no later than 15 January, 15 April, 15 July and 15 October annually. (RF.4.001)</li> <li>▪ Staff Sharing Register is updated on a quarterly basis and published on the website no later than 15 January, 15 April, 15 July and 15 October annually. (RF.4.003)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inspected the availability of Staff Sharing and Office Sharing Registers on Endeavour Energy website.</li> <li>▪ Conducted testing to confirm that the Staff Sharing and Office Sharing Registers on the website is the most current version and has been reviewed during the regulatory period.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed we have not identified any exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Obligation: Functional separation – Section 4 – Information access and disclosure

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>4.3.1 Compliant</p>	<p>Subject to this clause 4.3, a DNSP must:</p> <p>(a) keep ring-fenced information confidential; and</p> <p>(b) only use ring-fenced information for the purpose for which it was acquired or generated.</p>	<ul style="list-style-type: none"> <li>Company Procedure GAM1100, together with the Information Sharing Protocol and Approach published on the website, establishes and governs the process for managing electricity information requests. (RF.4.008)</li> </ul>	<ul style="list-style-type: none"> <li>Performed site visits at the shared site Glendenning CLF as well as other Endeavour Energy sites including Hoxton Park and Parramatta Square to observe the physical access protocols in place and to evaluate compliance with Ring-fencing Guidelines.</li> <li>Obtained details of Ausconnex employees who have access to Endeavour Energy's Parramatta office and confirmed they are in relation to approved shared staff only. Selected a sample of new physical access profiles for Endeavour Energy and Ausconnex which were granted during the regulatory period, inspected approvals to confirm that they followed proper protocol.</li> <li>Obtained Company Procedure GAM1100 – Electricity Information Requests, along with the Information Sharing Protocol and Approach, to assess compliance with the AER Ring-fencing Guideline.</li> <li>Performed a walkthrough to understand the role-based user access process to IT systems. As part of our procedures, we reviewed the configuration of the role-based user access setup confirming that users would only have access to systems and information appropriate for their role and company, preventing unauthorized access and appropriately restricted across the population of Endeavour Energy and Ausconnex employees.</li> <li>Reviewed the design of newly implemented formal segregation of domains for Endeavour Energy and Ausconnex employees. Confirmed that no employees had access to both Endeavour Energy and Ausconnex domains after formal segregation.</li> <li>Performed additional evidence-based procedures to verify that the system configuration is operating as intended, strengthening the ring-fenced IT controls.</li> <li>Reviewed evidence of quarterly checks performed by Technology and Obtained that Regulatory Assurance reviewed potential domain-duplication risks on Q2 and Q3 2025.</li> <li>Performed a user access review over selected high-risk SharePoint sites to confirm that the sites do not contain ring-fenced information and that users with access based on their domain are appropriate.</li> <li>Reviewed user listings to determine whether any individuals hold access to both Endeavour Energy sites and Ausconnex SharePoint sites and confirmed no dual-site access was identified.</li> <li>Reviewed the weekly SuccessFactors-to-Active Directory reconciliation report and confirmed that Ausconnex users are appropriately segregated from Endeavour Energy's domain.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed we have not identified any exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
4.3.2 Compliant	A DNSP must not disclose ring-fenced information to any person, including a related electricity service provider, unless an exemption applies.	<ul style="list-style-type: none"> <li>Company Procedure GAM1100, together with the Information Sharing Protocol and Approach published on the website, establishes and governs the process for managing electricity information requests (RF.4.008)</li> <li>Information Sharing Register is updated on a quarterly basis and published on the website no later than 15 January, 15 April, 15 July and 15 October annually. (RF.4.009)</li> </ul>	<ul style="list-style-type: none"> <li>Confirmed the information sharing register is published on the Endeavour Energy's website.</li> <li>For a random sample of quarters, we reviewed the contents of the information sharing register confirming that access to information where approval was granted was in line with the Ring-fencing Guideline principles. Our procedure also included obtaining all the information sharing registers for the reporting period.</li> <li>Obtained details of Ausconnex employees who have access to Endeavour Energy's Parramatta office and confirmed they are in relation to approved shared staff only.</li> <li>Selected a sample of new physical access profiles for Endeavour Energy and Ausconnex which were granted during the regulatory period, inspected approvals to confirm that they followed proper protocol.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed we have not identified any exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>4.3.3 (a)-(b)</p> <p>Compliant</p>	<p>(a) Subject to clause 4.1(c)iv. and to this clause 4.3.3, where a DNSP shares ring-fenced information with a related electricity service provider, or where ring-fenced information that a DNSP has disclosed under clause 4.3.2(f) is then disclosed by any person to a related electricity service provider of the DNSP, the DNSP must provide access to that ring-fenced information (including the derived information) to other legal entities on an equal basis.</p> <p>(b) A DNSP is only required by clause 4.3.3(a) to provide information to a legal entity where:</p> <ul style="list-style-type: none"> <li>i. the legal entity has requested that it be included on the information register in respect of information of that kind; and</li> <li>ii. the legal entity is competing, or is seeking to compete, with the DNSP, or a related electricity service provider of the DNSP, in relation to the provision of contestable electricity services.</li> </ul> <p>(c) A DNSP is not required by clause 4.3.3(a) to provide information to a legal entity where the DNSP has disclosed the information in the circumstances set out in clauses 4.3.2(a) to (e).</p> <p>(d) Without limiting clause 4.3.3(a), a DNSP must establish an information sharing protocol that sets how and when it will make the information referred to in clause 4.3.3(a) available to legal entities and must make that protocol publicly available on its website.</p> <p>(e) Where a DNSP discloses information referred to in clause 4.3.3(a) to any other legal entity under this clause 4.3.3, it must do so on terms and conditions that require the other legal entity to comply with clause 4.3.1 and 4.3.2(a) to (d) in relation to that information as if the other legal entity was a DNSP.</p>	<ul style="list-style-type: none"> <li>▪ Company Procedure GAM1100, together with the Information Sharing Protocol and Approach published on the website, establishes and governs the process for managing electricity information requests (RF.4.008)</li> <li>▪ Information Sharing Register is updated on a quarterly basis and published on the website no later than 15 January, 15 April, 15 July and 15 October annually. (RF.4.009)</li> </ul>	<ul style="list-style-type: none"> <li>▪ We obtained the Information Sharing Protocol from Endeavour Energy's external facing website and inspected the terms and conditions to ensure accessibility to information sharing protocol, appropriate contact and guidance provided for public access.</li> <li>▪ We reviewed the register of requested information sharing to confirm that no information has been shared that is not publicly available.</li> <li>▪ Inspected the availability the Information Sharing Register on Endeavour Energy website.</li> <li>▪ Conducted testing to confirm that the Information Sharing Register on the website is the most current version and has been reviewed during the regulatory period.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed we have not identified any exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>4.3.4</p> <p>Compliant</p>	<p>(a) A DNSP must establish, maintain and keep a register of all:</p> <ul style="list-style-type: none"> <li>i. related electricity service providers;</li> <li>ii. other legal entities who provide contestable electricity services, but who are not affiliates of the DNSP; who request access to information identified in clause 4.3.3(a) and must make the register publicly available on its website.</li> </ul> <p>(b) For each related electricity service provider or other legal entity that has requested that a DNSP provide access to information identified in clause 4.3.3(a), the DNSP's information register must:</p> <ul style="list-style-type: none"> <li>i. identify the kind of information requested by the related electricity service provider or other legal entity; and</li> <li>ii. describe the kind of information requested by the related electricity service provider or other legal entity in sufficient detail to enable other legal entities to make an informed decision about whether to request that kind of information from the DNSP.</li> </ul> <p>(c) A legal entity may request that the DNSP include it on the information register in relation to some or all of the kinds of information that the DNSP is required to provide under clause 4.3.3(a), and the DNSP must comply with that request.</p>	<ul style="list-style-type: none"> <li>▪ Company Procedure GRG0013 outlines compliance reporting requirements in line with the obligations set out in the Ring-fencing Guideline. (RF.0.002)</li> <li>▪ Information Sharing Register is updated on a quarterly basis and published on the website no later than 15 January, 15 April, 15 July and 15 October annually. (RF.4.009)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inspected the availability of Information Sharing Register on Endeavour Energy website, confirming the latest version of the register is readily available to the public.</li> <li>▪ Conducted testing to confirm that the Information Sharing Register on the website is the most current version and has been reviewed during the regulatory period.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed we have not identified any exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>4.4.1</p> <p>Compliant</p>	<p>A DNSP:</p> <p>(a) must ensure that any new or varied agreement between the DNSP and a service provider, for the provision of services to the DNSP that enable or assist the DNSP to supply direct control services, requires the service provider to comply, in providing those services, with:</p> <ul style="list-style-type: none"> <li>i. clauses 4.1, 4.2.1, 4.2.2 and 4.3.2 of this Guideline; and</li> <li>ii. clause 4.2.3 of this Guideline in relation to the brands of the DNSP.</li> </ul> <p>as if the service provider was the DNSP</p> <p>(b) must not, directly or indirectly, encourage or incentivise a service provider to engage in conduct which, if the DNSP engaged in the conduct itself, would be contrary to the DNSP's obligations under clause 4 of this Guideline.</p>	<ul style="list-style-type: none"> <li>▪ Education and awareness is provided to employees to enhance their understanding and compliance with the Guideline. (RF.0.001)</li> <li>▪ Endeavour Energy's standard terms and conditions reflect the requirements of the Guideline, with any new or varied contracts that deviate requiring approval from the Legal team. (RF.4.010)</li> </ul>	<ul style="list-style-type: none"> <li>▪ We discussed with management to ascertain whether standard terms, conditions, or contracts are consistently employed with service providers.</li> <li>▪ Our testing procedures included the selection of a sample of newly executed or amended contracts within the period under review. These contracts were examined to verify the inclusion of all required clauses.</li> <li>▪ For instances where standard terms, conditions, or contracts were not utilised, we assessed whether appropriate approval processes were adhered to, ensuring compliance.</li> <li>▪ The support documentation provided for the selected samples was tested and agreed to the determination made by Endeavour Energy. Overall, we observed that Endeavour Energy's evaluation of the scenario, based on the services rendered, demonstrated alignment with expectations.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed we have not identified any exceptions or instances of non-compliance.</p>

# DETAILED OBSERVATIONS (CONTINUED)

## Obligation: Waivers – Section 5

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>5.7</p> <p>Non-compliant</p>	<p>(a) A DNSP must establish, maintain and keep a register of all waivers (including any variation of a waiver) granted to the DNSP by the AER under clause 5 of this Guideline, and must make the register publicly available on its website.</p> <p>(b) The register established under clause 5.7(a) must include:</p> <ul style="list-style-type: none"> <li>i. the description of the conduct to which the waiver or interim waiver applies; and</li> <li>ii. the terms and conditions of the waiver or interim waiver; as set out in the AER's written decision, provided by the AER to the DNSP, to grant (or vary) the waiver or interim waiver.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Company Procedure GRG0013 outlines compliance reporting requirements in line with the obligations set out in the Ring-fencing Guideline. (RF.0.002)</li> <li>▪ The Waiver Register is updated on a quarterly basis and published on the website no later than 15 January, 15 April, 15 July and 15 October annually. (RF.5.001)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inquired with management to understand how often the periodic review of approved waivers occurs.</li> <li>▪ Inspected the Endeavour Energy website to ensure that the Waiver Register is readily available.</li> <li>▪ Conducted testing to ensure that the Waiver Register on the website is the most current version.</li> <li>▪ Inspected and inquired for any new waivers granted in the current period 1 January 2025 - 31 December 2025.</li> <li>▪ Inspected the reporting obligations and terms and conditions of existing waivers (including CBHSP and BESS) and reviewed the following information:                         <ul style="list-style-type: none"> <li>a) The total quantified benefit derived from the deployment of the battery energy storage systems from all services over the most recent financial year;</li> <li>b) The total quantified benefit derived from the deployment of the battery energy storage systems from direct control services over the most recent financial year;</li> <li>c) The total quantified benefit derived from the deployment of the battery energy storage systems from other distribution services and other services over the most recent financial year; and</li> <li>d) A comparison of uses (volume and frequency) of the battery that confirms the usage by Endeavour Energy and by its retail partner, including the initial proposed allocation as a baseline against which actual usage of the battery energy storage systems can be compared.</li> </ul> </li> <li>▪ Confirmed no training has been provided to Evoenergy staff.</li> </ul>	<p style="text-align: center;"><b>PARTIALLY EFFECTIVE</b></p> <p>We note that Endeavour Energy obtained a waiver to deliver Certificate III in Electricity Supply Industry (Distribution Overhead) training to Evoenergy staff.</p> <p>The waiver was granted on 15th of September 2025; however, whilst it was made publicly available on the AER website on 15 September 2025 it was not included in the Q3 Register. This was an administrative oversight, and it was appropriately included in the Q4 Register from 1 January 2026.</p> <p>We also note that although the Q3 2025 Waiver Register had not been updated to include the waiver granted by the AER on 15 September 2025, no contracts were executed and no training was delivered under the scope of the waiver during the period it did not appear on the register</p> <p>This breach has been appropriately reported to the AER and included in Endeavour Energy's Ring-fencing Annual Compliance Report.</p>

## DETAILED OBSERVATIONS (CONTINUED)

### Obligation: Compliance and enforcement – Section 6

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>6.1</p> <p>Compliant</p>	<p>A DNSP must establish and maintain appropriate internal procedures to ensure it complies with its obligations under this Guideline. The AER may require the DNSP to demonstrate the adequacy of these procedures upon reasonable notice. However, any statement made or assurance given by the AER concerning the adequacy of the DNSP's compliance procedures does not affect the DNSP's obligations under this Guideline.</p>	<ul style="list-style-type: none"> <li>Company Procedure GRG0013 outlines compliance reporting requirements in line with the obligations set out in the Ring-fencing Guideline. (RF.0.002)</li> <li>An annual review is undertaken by Finance of the Accounting for Ausconnex Fundamentals document. (RF.3.006)</li> <li>Company Procedure GAM1100, together with the Information Sharing Protocol and Approach published on the website, establishes and governs the process for managing electricity information requests. (RF.4.008)</li> </ul>	<ul style="list-style-type: none"> <li>Obtained and perused the Ring-fencing procedure which demonstrates that it complies with AER's requirement on compliance procedures.</li> <li>Obtained and inspected the Ring-fencing issues Log maintained by the Compliance team which includes input by the Regulatory Assurance team.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed we have not identified any exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>6.2.1</p> <p>Compliant</p>	<p>(a) A DNSP must prepare an annual ring-fencing compliance report each calendar year in accordance with this clause 6.2.1 and submit it to the AER in accordance with clause 6.2.2.</p> <p>(b) The annual compliance report must identify and describe, in respect of the calendar year to which the report relates:</p> <ul style="list-style-type: none"> <li>i. the measures the DNSP has taken to ensure compliance with its obligations under this Guideline;</li> <li>ii. any breaches of this Guideline by the DNSP, or which otherwise relate to the DNSP;</li> <li>iii. all other services provided by the DNSP in accordance with clause 3.1; and</li> <li>iv. the purpose of all transactions between the DNSP and an affiliated entity.</li> </ul> <p>(c) The annual compliance report must be accompanied by an assessment of compliance with each provision of this Guideline (except clauses 6.2.2 and 6.3) by a suitably qualified independent authority.</p> <p>(d) A DNSP's annual compliance report may, in relation to clause 3.2 of this Guideline, be based on information provided to the AER under a regulatory information notice for the DNSP's most recent regulatory year. If so, that annual compliance report must cover, in relation to clause 3.2 of this Guideline, the entirety of that regulatory year.</p> <p>(e) Annual compliance reports may be made publicly available by the AER.</p> <p>(f) Starting with the annual compliance report relating to the 2025 calendar year, each annual compliance report must be accompanied by a cover letter signed by a DNSP's most senior executive (whether that person's position is titled chief executive officer, or managing director, or otherwise), or by a director of the DNSP, and attesting that the contents of the report are accurate to the best of their knowledge</p>	<ul style="list-style-type: none"> <li>▪ Company Procedure GRG0013 outlines compliance reporting requirements in line with the obligations set out in the Ring-fencing Guideline. (RF.0.002)</li> <li>▪ An annual attestation of compliance with the Guideline is completed via Resolver by key stakeholders and their respective management team. (RF.6.001)</li> <li>▪ Endeavour Energy's Annual Ring-fencing Compliance Report is submitted to the Australian Energy Regulator annually and accompanied by an assessment of compliance by a suitably qualified independent authority. (RF.6.002)</li> <li>▪ Regulatory Assurance maintain a regulatory reporting calendar to monitor compliance with all mandatory reporting obligations, including Ring-fencing. (RF.6.003)</li> <li>▪ Endeavour Energy's breach register is supported by copies of the ring-fencing breach report and cover letter submitted to the Australian Energy Regulator for each identified breach. (RF.6.006)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Obtained and inspected Endeavour Energy's Ring-fencing Annual Compliance Report for the period 1 January 2025 – 31 December 2025 to ensure compliance with the requirements of the Guideline.</li> <li>▪ Endeavour Energy has engaged EY as the independent authority to assess its annual compliance report.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed we have not identified any exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>6.2.2</p> <p>Compliant</p>	<p>Subject to clause 7.2, a DNSP must submit its annual compliance report to the AER within four months of the end of the calendar year to which the compliance report relates.</p>	<ul style="list-style-type: none"> <li>Company Procedure GRG0013 outlines compliance reporting requirements in line with the obligations set out in the Ring-fencing Guideline. (RF.0.002)</li> <li>Endeavour Energy's Annual Ring-fencing Compliance Report is submitted to the Australian Energy Regulator annually and accompanied by an assessment of compliance by a suitably qualified independent authority. (RF.6.002)</li> <li>Regulatory Assurance maintain a regulatory reporting calendar to monitor compliance with all mandatory reporting obligations, including Ring-fencing. (RF.6.003)</li> </ul>	<ul style="list-style-type: none"> <li>Obtained and inspected the timeline plan for Endeavour Energy's Ring-fencing Annual Compliance Report (1 January 2025 - 31 December 2025) and confirmed the report is planned to be submitted within 4 months of the end of calendar year.</li> <li>Confirmed Endeavour Energy's prior reporting period Ring-fencing Annual Compliance Report, for the period ended 31 December 2024, was submitted within 4 months of the calendar year.</li> <li>Obtained and inspected the compliance calendar utilised by the Regulatory Assurance team which includes all the reminder to submit the report.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed we have not identified any exceptions or instances of non-compliance.</p>

## DETAILED OBSERVATIONS (CONTINUED)

Clause and management assessment	Compliance Obligation	Management Controls	Procedures Performed	Observations and Findings
<p>6.2.3</p> <p>Compliant</p>	<p>(a) A DNSP must establish, maintain and keep a register that identifies, for each regulated stand-alone power system used by the DNSP to provide other services:</p> <ul style="list-style-type: none"> <li>i. the local government area in which the regulated stand-alone power system is deployed;</li> <li>ii. the number of premises served by the regulated stand-alone power system;</li> <li>iii. the maximum demand, in kW, served by the regulated stand-alone power system;</li> <li>iv. the aggregated annual average energy consumption, in kWh, of the premises served by the regulated stand-alone power system;</li> <li>v. the revenue earned by the DNSP for providing other services by means of the regulated stand-alone power systems in the current calendar year; and</li> <li>vi. whether the DNSP has made a request, in writing, for the supply of the other services by another legal entity (other than an affiliated entity of the DNSP).</li> </ul> <p>(b) No later than 15 January, 15 April, 15 July and 15 October each year, a DNSP must publish, on its website, an updated version of the register referred to in clause 6.2.3(a).</p> <p>The DNSP must ensure that the information published in each updated version is current to the end of the calendar month that is immediately prior to the required publication date for that updated version under this clause 6.2.3(b).</p>	<ul style="list-style-type: none"> <li>▪ The Regulated Stand-alone Power System Register is updated on a quarterly basis and published on the website no later than 15 January, 15 April, 15 July and 15 October annually. (RF.6.004)</li> </ul>	<ul style="list-style-type: none"> <li>▪ The regulated stand-alone power system register is formally reviewed on a quarterly basis by the Compliance team.</li> <li>▪ Endeavour Energy had no regulated stand-alone power systems in place in the 2025 reporting period. This confirms there were no SAPS reported for the period.</li> </ul>	<p><b>EFFECTIVE</b></p> <p>Based on the procedures performed we have not identified any exceptions or instances of non-compliance.</p>

# ASSURANCE REPORT

## Independent assurance report to the members of Endeavour Energy

### Opinion

We have undertaken a reasonable assurance engagement, as defined by Standards on Assurance Engagements, to report on whether the Annual Compliance report of Endeavour Energy Network Operator Partnership's ("Endeavour Energy's" or the "Entity") presents fairly the Entity's compliance, in all material respects, with the compliance requirements of the Ring-fencing Guideline – Electricity Distribution Version 4 (the "Guideline"), for the period of 1 January 2025 to 31 December 2025 for the purpose of reporting to the Australian Energy Regulator.

In our opinion, Endeavour Energy's Annual Compliance Report that states the Entity has complied with the compliance requirements, in all material respects, is fairly presented as evaluated against the Guideline for the period of 1 January 2025 to 31 December 2025.

### Basis for opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 Compliance Engagements issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Endeavour Energy's responsibilities

The Entity is responsible for:

- a. Preparation of an Annual Compliance Report for the period of 1 January 2025 to 31 December 2025, which sets out the measures the Entity has taken to ensure compliance with its obligations under the Guideline;
- b. Providing a Statement with respect to the outcome of the evaluation of the Entity's compliance against the compliance requirements, which accompanies this independent assurance report;
- c. Completion of the compliance activity undertaken to meet the compliance requirements; and
- d. Identification and implementation of risks that prevent the compliance requirements being met and monitor ongoing compliance.

## Our independence and quality management

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard 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.

# ASSURANCE REPORT

## Assurance practitioner's responsibilities

Our responsibility is to express an opinion, on Endeavour Energy's Annual Compliance Report with respect to the Entity's compliance, in all material respects, as evaluated against the Guideline, for the period 1 January 2025 to 31 December 2025. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether Endeavour Energy's Annual Compliance Report is, in all material respects, fairly presented as evaluated against the Guideline for the period of 1 January 2025 to 31 December 2025.

An assurance engagement to report on Endeavour Energy's Annual Compliance report with respect to of the entity's compliance with the compliance requirements involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on our judgement, including the identification and assessment of risks of material misstatements in the Annual Compliance Report are likely to arise.

## Inherent limitations

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

Our procedures selected were based upon our judgement and involved obtaining an understanding of the Guideline, identifying the obligation clauses as per the Guideline applicable to Endeavour Energy, and designing and performing procedures to determine whether management controls are in place to satisfy the obligation clauses as per the Guideline. Our tests of controls were primarily conducted using inquiry, observation, and inspection procedures. In certain situations, we have relied upon representations from management through inquiry only.

A reasonable assurance engagement for the period 1 January 2025 to 31 December 2025 does not provide assurance on whether compliance with the compliance

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requirements will continue in the future.

## Restriction on distribution

This assurance report has been prepared in accordance with the requirements of the Guideline. Our report is intended solely for Endeavour Energy and the Australian Energy Regulator (collectively the "Recipients") pursuant to the terms of our engagement agreement dated 10 March 2026.

We disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party or the reliance upon our report by the other party.

[Redacted]  
Ernst & Young

Sydney

28 April 2026

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ED NONE

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