



# Independent assurance report on the Annual Ring-fencing Compliance Report

To NSW Electricity Networks Operations Pty Limited as trustee for NSW Electricity Operations Holdings Trust (“Transgrid”)

## Qualified Opinion

We have undertaken a reasonable assurance engagement on whether the Transgrid Annual Ring-fencing Compliance Report presents fairly, in all material respects, Transgrid’s compliance with the Ring-Fencing Guideline - Electricity Transmission version 4 (version 4 Guideline), as evaluated against Clause 6.2 Reporting Requirements in the version 4 Guideline, for the period from 1 January 2025 to 23 August 2025, and with the Ring-Fencing Guideline - Electricity Transmission version 5 (version 5 Guideline), as evaluated against Clause 6.2 Reporting Requirements in the version 5 Guideline, for the period from 24 August 2025 to 31 December 2025. The Transgrid Annual Ring-fencing Compliance Report will accompany our report, for the purpose of reporting to the Australian Energy Regulator (the AER).

In our opinion, except for the matter described in the *Basis for qualified opinion paragraph*, Transgrid’s Annual Ring-fencing Compliance Report presents fairly, in all material respects, Transgrid’s compliance with the version 4 Guideline, as evaluated against Clause 6.2 Reporting Requirements in the version 4 Guideline, for the period from 1 January 2025 to 23 August 2025, and with the version 5 Guideline, as evaluated against Clause 6.2 Reporting Requirements in the version 5 Guideline, for the period from 24 August 2025 to 31 December 2025.

## Basis for qualified opinion

Appendix B of Transgrid’s Annual Ring-fencing Compliance Report outlines the approach taken by Transgrid to calculate the average time taken between initial receipt of the connection applications and the connections commissioned for the period ended 31 December 2025. Management was unable to provide adequate documentation supporting the exact date of initial receipt of connection applications by Transgrid. We were therefore unable to test the accuracy of the reported average time, measured in

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business days, from connection application receipt to connection commissioning for the period ended 31 December 2025. As a result, we were unable to obtain sufficient appropriate evidence regarding Transgrid's reporting required under section 6.2.1(b)(viii) and 6.2.1(b)(ix) of the Version 5 Guideline. We were unable to satisfy ourselves by alternate procedures, therefore qualify our opinion in this regard.

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 qualified conclusion.

## **Transgrid's responsibilities**

Transgrid is responsible for:

- a. Providing an Annual Ring-fencing Compliance Report with respect to the outcome of the evaluation of the compliance activity against the Ring-Fencing Guideline - Electricity Transmission version 4 and version 5, which accompanies this independent assurance report.
- b. Identification of the Ring-Fencing Guideline - Electricity Transmission compliance requirements
- c. The compliance activity undertaken to meet the Ring-Fencing Guideline - Electricity Transmission compliance requirements
- d. Identification and implementation of controls which will mitigate those risks that prevent the Ring-Fencing Guideline - Electricity Transmission compliance requirements being met and monitoring ongoing compliance.

## **Our Independence and quality management**

We have complied with the ethical requirements, of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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.

## **Our responsibility**

Our responsibility is to express an opinion, on whether the Transgrid Annual Ring-fencing Compliance Report presents fairly, in all material respects, Transgrid's compliance with the Ring-Fencing Guideline - Electricity Transmission version 4 Guideline, as evaluated against Clause 6.2 Reporting Requirements in the version 4 Guideline, for the period from 1 January 2025 to 23 August 2025, and with the version 5 Guideline, as evaluated against Clause 6.2 Reporting Requirements in the version 5 Guideline, for the period from 24 August 2025 to 31 December 2025. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether Annual Ring-fencing Compliance Report is fairly presented in that Transgrid has complied, in all material respects, with the version 4 Guideline for the period from 1 January 2025 to 23 August 2025, and with the version 5 Guideline for the period from 24 August 2025 to 31 December 2025, as evaluated against Clause 6.2 Reporting Requirements in the version 4 and version 5 Guidelines.

An assurance engagement to report on Transgrid's Annual Ring-fencing Compliance Report compliance with the version 4 Guideline for the period from 1 January 2025 to 23 August 2025 and the version 5 Guideline for the period from 24 August 2025 to 31 December 2025 involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the version 4 and version 5 Guidelines, respectively. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the version 4 and version 5 Guidelines, as evaluated against Clause 6.2 Reporting Requirements in the respective Guideline versions.

## **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.

A reasonable assurance engagement for the period ended 31 December 2025 does not provide assurance on whether compliance with the version 4 and version 5 Guidelines will continue in the future.



## Use of report

This report has been prepared for use by Transgrid for the purpose of the version 4 and version 5 Guidelines. We permit Transgrid to provide a copy of our report, in full only, to the AER, on a strictly confidential basis for the sole purpose of enabling the AER to confirm this report was commissioned by the directors of Transgrid and issued in connection with Transgrid's compliance with the Guideline.

Except as required by law, the report may not be disclosed nor its contents published in any way (including on an internet website) without our prior written consent. We disclaim any assumption of responsibility for any reliance on this report to any person other than Directors of Transgrid, or for any other purpose than that for which it was prepared.



PricewaterhouseCoopers



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24 April 2026