



## *Independent auditor's report*

To the Directors of Australian Gas Networks Limited

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### *Our opinion*

We have audited the historical financial information within the accompanying Regulatory Information Schedules of Australian Gas Networks Limited (the Company) as required by the Regulatory Information Notice Under Division 4 of Part 1 of Chapter 2 of The National Gas (South Australia) Law issued by the Australian Energy Regulator dated 28 February 2020 (the "Notice") for the period from 1 July 2014 to 30 June 2019 and the Basis of Preparation (collectively the "Schedules"), which comprise:

- E2. MAINS REPLACEMENT
  - E2.1 - CAPEX
    - E2.1.1 - PROACTIVE - BY PROJECT
    - E2.1.2 - REACTIVE - BY CONNECTION TYPE
- E3. MAINS AUGMENTATION
  - E3.1 - CAPEX BY PROJECT
- E4. METER REPLACEMENT
  - E4.1 - CAPEX
    - E4.1.1 - NEW METERS ACQUIRED
    - E4.1.2 - METER REFURBISHMENT
    - E4.1.3 - METER INSTALLATION
    - E4.1.4 - OTHER METER REPLACEMENT CAPEX
- E5. NEW CONNECTIONS
  - E5.1 - EXPENDITURE
    - E5.1.1 - CAPEX - BY CONNECTION TYPE
  - E5.2 - UNIT RATES
    - E5.2.1 - UNIT RATES - PER CONNECTION - BY CONNECTION TYPE
  - E5.4 - CAPITAL CONTRIBUTIONS
    - E5.4.1 - VALUE OF CAPITAL CONTRIBUTIONS - BY CONNECTION TYPE
- E6. NON-NETWORK EXPENDITURE
  - E6.5 - TELEMETRY
    - E6.5.1 - CAPEX - BY PROJECT
- E10. OVERHEADS EXPENDITURE
  - E10.1 - NETWORK
    - E10.1.1 - OPEX
    - E10.1.2 - CAPEX
  - E10.2 - CORPORATE
    - E10.2.1 - OPEX
    - E10.2.2 - CAPEX
- E12. INFORMATION AND COMMUNICATION TECHNOLOGY
  - E12.1 - CAPEX - BY PROJECT
- E13. OTHER CAPITAL EXPENDITURE
  - E13.1 - CAPEX - BY PROJECT
- the accompanying Basis of Preparation; and

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- the statutory declaration from management.

In our opinion the Schedules present fairly, in all material respects, the historical financial information of the Company in accordance with the Notice and the Company's Basis of Preparation.

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### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Schedules* section of our report.

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

### ***Independence***

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Schedules in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### *Emphasis of matter - basis of accounting and restriction on distribution and use*

We draw attention to the Basis of Preparation, which describes the basis of accounting. The Schedules have been prepared to assist the Directors to meet the requirements of the Notice. As a result, the Schedules may not be suitable for another purpose. Our report is intended solely for the Company and should not be distributed to or used by parties other than the Company and the Australian Energy Regulator. Our opinion is not modified in respect of this matter.

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### *Responsibilities of management for the Schedules*

Management of the Company is responsible for the preparation and fair presentation of the Schedules in accordance with the Notice and the Company's Basis of Preparation and for such internal control as management determines is necessary to enable the preparation of Schedules that are free from material misstatement, whether due to fraud or error.

The directors are responsible for overseeing the Company's financial reporting process related to the Schedules.

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### *Auditor's responsibilities for the audit of the Schedules*

Our objectives are to obtain reasonable assurance about whether the Schedules are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Schedules.



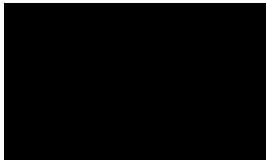
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the Schedules, including the disclosures, and whether the Schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers



Andrew Forman  
Partner

Adelaide  
1 July 2020



To: The Directors of Australian Gas Networks Limited

## **Independent assurance report on Historical Non-Financial Information included within the Regulatory Information Schedules of Australian Gas Networks Limited for the period 1 July 2014 to 30 June 2019**

### ***Scope***

In accordance with the terms of engagement letter dated 29 June 2020, we were engaged by Australian Gas Networks Limited to perform an independent limited assurance engagement in respect of the Historical Non-Financial Information included within the Regulatory Information Schedules (the “Subject Matter”) for Australian Gas Networks Limited (the “Company”) as required by the Regulatory Information Notice Under Division 4 of Part 1 of Chapter 2 of The National Gas (South Australia) Law issued by the Australian Energy Regulator dated 28 February 2020 (the “Notice”) for the period 1 July 2014 to 30 June 2019 (the “Period”) which comprise the following:

- E2. MAINS REPLACEMENT
  - E2.2 - VOLUMES
    - E2.2.1 - PROACTIVE - BY CONNECTION TYPE - BY PROJECT
    - E2.2.2 - REACTIVE - BY CONNECTION TYPE
- E3. MAINS AUGMENTATION
  - E3.2 - VOLUMES - BY PRESSURE TYPE - BY PROJECT
- E4. METER REPLACEMENT
  - E4.2 - VOLUMES
    - E4.2.1 - NUMBER OF NEW METERS ACQUIRED
    - E4.2.2 - NUMBER OF METERS REFURBISHED
    - E4.2.3 - NUMBER OF METERS INSTALLED
    - E4.2.4 - NUMBER OF METERS REMOVED / DECOMMISSIONED
    - E4.2.5 - OTHER METER REPLACEMENT VOLUMES
- E5. NEW CONNECTIONS
  - E5.3 - VOLUMES
    - E5.3.1 - NUMBER OF NEW CONNECTIONS
    - E5.3.2 - VOLUMES - PER CONNECTION - BY CONNECTION TYPE
  - E5.4 – CAPITAL CONTRIBUTIONS
    - E5.4.2 - NUMBER OF CAPITAL CONTRIBUTIONS - BY CONNECTION TYPE
- N2. NETWORK CHARACTERISTICS
  - N2.5 – NETWORK LENGTH – BY POST CODE
- The statutory declaration from management

The criteria (the “Criteria”) against which we assessed the Subject Matter is the accompanying Basis of Preparation.

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### ***Management's responsibilities***

Management of the Company is responsible for the Subject Matter and for the preparation of the Subject Matter in accordance with the Criteria.

### ***Our Independence and Quality control***

We have complied with relevant ethical requirements related to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements* the firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### ***Our responsibilities***

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE 3000) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. That standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria, for the Period. The procedures we performed were based on our professional judgement and included:

- Obtaining an understanding, through inquiry with management, of the preparation process including how source data was gathered for the Subject Matter for the Period;
- Reading the Basis of Preparation and evaluating whether the Subject Matter had been prepared in accordance with the Basis of Preparation;
- Performing analytical procedures and obtaining explanations from management for material, unusual or unexpected variances;
- Where applicable, reconciling the Subject Matter to information previously submitted by the Company to external bodies, for example to the Essential Services Commission of South Australia ('ESCOSA'), and obtaining explanations from management for material variances; and
- Testing the mathematical accuracy of the Subject Matter.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.



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

***Use of report***

This report was prepared for the Directors of Australian Gas Networks Limited to satisfy the requirements of the Regulatory Information Notice Under Division 4 of Part 1 of Chapter 2 of The National Gas (South Australia) Law issued by Australian Energy Regulator dated 28 February 2020. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Directors of Australian Gas Networks Limited, or for any purpose other than that for which it was prepared.

***Inherent limitations***

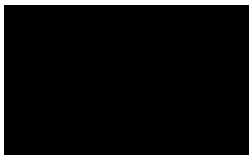
Because of the inherent limitations of any limited assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the Subject Matter with the Criteria, as it is limited primarily to making enquiries of the Company's management, and applying analytical procedures. The limited assurance conclusion expressed in this report has been formed on the above basis.

***Conclusion***

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria for the period 1 July 2014 to 30 June 2019.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers



Andrew Forman  
Partner

Adelaide  
1 July 2020