

INDEPENDENT AUDITOR'S REPORT

Report on Regulatory Reporting Statements

Opinion

I have audited the accompanying Australian Energy Regulator (AER) Distribution Network Service Provider (DNSP) Reset Regulatory Reporting Templates – Actual Historical Financial Information (the Regulatory Reporting Statements) of Energex Limited (the Entity) as at the balance dates, and for the years ending as stipulated below, prepared by Energex Limited pursuant to the provisions of the Regulatory Information Notice (RIN) under Division 4 Part 3 of the *National Electricity (Qld) Law*, issued to Energex Limited by the AER on 31 October 2018. The information subject to audit includes the Basis of Preparation and actual historical financial information contained in the templates listed below:

Workbook	Template	Table	For the years ending
Workbook 1 – Regulatory Determination RIN Template	7.4: Shared assets	7.4.1 – TOTAL UNREGULATED REVENUE EARNED WITH SHARED ASSETS	2010-11 to 2017-18

In my opinion, the actual historical financial information of Energex Limited as at the balance dates, and for the years ending as stipulated above, included in the template stipulated above, is presented fairly, in all material respects, in accordance with the requirements of the RIN, and Energex Limited's Basis of Preparation including the principles and requirements of Appendix A of the RIN.

I confirm that I meet the requirements of paragraph 2.1 of Appendix C of the RIN in relation to requirements to be met by the person conducting the audit of the Regulatory Reporting Statements.

Basis of Opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Actual Historical Financial Information* section of my report.

I am independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*. In conducting the audit the independence requirements of the RIN have been complied with.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Preparation

Without modifying my opinion, I draw attention to Schedules 1 and 2 and Appendix E of the RIN which describe the basis of preparation. The actual historical financial information has been prepared for the purpose of fulfilling Energex Limited's reporting responsibilities in accordance with the RIN.

As a result, the information may be not be suitable for another purpose.

Management's Responsibility for the Regulatory Reporting Statements

Management is responsible for the preparation and fair presentation of the Regulatory Reporting Statements, ensuring the actual historical financial information is prepared in accordance with the provisions of Schedules 1 and 2 and Appendix E of the RIN.

Management's responsibility also includes such internal control as management determine is necessary to enable the preparation and fair presentation of the actual historical financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Actual Historical Financial Information

My responsibility is to express an opinion on the actual historical financial information based on the audit. My objective is to obtain reasonable assurance about whether the financial statement as a whole is 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 not a guarantee that an audit conducted in accordance with 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 this financial statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the information 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

Other Matters - Electronic Presentation of the Audited Information

Those viewing an electronic version of the Regulatory Reporting Statements, should note that this audit opinion relates only to the documents listed in the table below. Any changes made to these documents subsequent to this, have not been audited.

Template	Attachment Name	Date and Time
Workbook 1 – Regulatory Determination RIN Template	EGX 17.046 2021-2025 Regulatory Determination RIN Template JAN19 PUBLIC.xlsm	24/01/2019 12:45 PM

Basis of Preparation – Attachment Name	Date and Time
EGX 17.005 Basis of Preparation – Regulatory Determination JAN19 PUBLIC.pdf	24/01/2019 1:48PM



Damon Olive
as Delegate of the Auditor-General

30 January 2019
Queensland Audit Office
Brisbane

INDEPENDENT AUDITOR'S REVIEW REPORT

Report on Regulatory Reporting Statements

I have reviewed the accompanying Australian Energy Regulator (AER) Distribution Network Service Provider (DNSP) Reset Regulatory Reporting Templates – Estimated Historical Financial Information (Regulatory Reporting Statements) of Energex Limited (the Entity) as at the balance dates, and for the years ending as stipulated below, prepared by Energex Limited pursuant to the provisions of the Regulatory Information Notice (RIN) under Division 4 Part 3 of *the National Electricity (Qld) Law*, issued to Energex Limited by the AER on 31 October 2018. The information subject to review includes the Basis of Preparation and estimated historical financial information contained in the templates as listed below:

Workbook 2 – New Historical Category Analysis RIN Template:

Template	Table	For the years ending
2.5 Connections	2.5.2 – COST METRICS BY CONNECTION CLASSIFICATION <ul style="list-style-type: none"> EXPENDITURE – STANDARD CONTROL SERVICES EXPENDITURE – STANDARD CONTROL SERVICES – CAPITAL CONTRIBUTIONS 	2008-09- to 2017-18
2.6 Non-network	2.6.4 – INFORMATION & COMMUNICATIONS TECHNOLOGY – CAPEX BY PURPOSE	2008-09 to 2017-18
2.10 Overheads	2.10.1 – NETWORK OVERHEADS EXPENDITURE 2.10.2 – CORPORATE OVERHEADS EXPENDITURE	2008-09 to 2017-18
2.11 Labour	2.11.3 – LABOUR / NON-LABOUR EXPENDITURE SPLIT – STANDARD CONTROL SERVICES	2008-09 to 2017-18

Workbook 3 – Recast Category Analysis RIN template:

Template	Table	For the years ending
2.1: Expenditure Summary & Reconciliation	2.1.1 – STANDARD CONTROL SERVICES CAPEX 2.1.2 – STANDARD CONTROL SERVICES OPEX 2.1.3 – ALTERNATIVE CONTROL SERVICES CAPEX 2.1.4 – ALTERNATIVE CONTROL SERVICES OPEX	2008-09 to 2017-18

Template	Table	For the years ending
	2.1.7 – STANDARD CONTROLS SERVICES CAPCONS 2.1.8 – STANDARD CONTROL SERVICES CAPITALISED OVERHEADS	
2.3(a): Augex Project Data	2.3.1 – AUGEX ASSET DATA – SUBTRANSMISSION SUBSTATIONS, SWITCHING STATIONS AND ZONE SUBSTATIONS 2.3.2 – AUGEX ASSET DATA – SUBTRANSMISSION LINES	2008-09 to 2017-18
2.5: Connections	2.5.1 – DESCRIPTOR METRICS 2.5.2 – COST METRICS BY CONNECTION CLASSIFICATION	2008-09 to 2017-18
2.6: Non-Network Expenditure	2.6.1 – NON-NETWORK EXPENDITURE	2008-09 to 2017-18
2.10: Overheads	2.10.1 – NETWORK OVERHEADS EXPENDITURE <ul style="list-style-type: none"> • Standard Control Services • Alternative Control Services • Unregulated Services • Capitalised Network Overheads 2.10.2 – CORPORATE OVERHEADS EXPENDITURE <ul style="list-style-type: none"> • Standard control services • Alternative Control Services • Unregulated Services • Capitalised Corporate Overheads 	2008-09 to 2017-18
2.11: Labour	2.11.1 – COST METRICS PER ANNUM <ul style="list-style-type: none"> • Total Labour Expenditure 	2008-09 to 2017-18
2.12: Input tables	2.12 – INPUT TABLES	2008-09 to 2017-18
4.1: Public Lighting	4.1.2 – DESCRIPTOR METRICS ANNUALLY 4.1.3 – COST METRICS	2008-09 to 2017-18
4.2: Metering	4.2.2 – COST METRICS	2008-09 to 2017-18
4.4: Ancillary Services – Quoted Services	4.4.1 – COST METRICS FOR QUOTED SERVICES	2008-09 to 2017-18

Workbook 4 – Recast Economic Benchmarking RIN Template:

Template	Table	For the years ending
3.1: Revenue	3.1.1 – REVENUE GROUPING BY CHARGEABLE QUANTITY <ul style="list-style-type: none"> Alternative Control Services 3.1.2 – REVENUE GROUPING BY CUSTOMER TYPE OR CLASS <ul style="list-style-type: none"> Alternative Control services 	2005-06 to 2017-18
3.2: Operating Expenditure	3.2.1 – OPEX CATEGORIES <ul style="list-style-type: none"> Alternative Control Services 3.2.2 – OPEX CONSISTENCY <ul style="list-style-type: none"> Alternative Control Services 	2005-06 to 2017-18

Management's Responsibility for the Regulatory Reporting Statements

Management is responsible for the preparation of the Regulatory Reporting Statements, ensuring the estimated historical financial information reported is the best estimate of the information prepared in accordance with Energex Limited's Basis of Preparation and the provisions of Schedules 1 and 2 and Appendix E of the RIN.

Management's responsibility also includes such internal control as management determine necessary to enable the preparation and fair presentation of the estimated historical financial information that is free from material misstatement whether due to fraud or error.

Auditor's Responsibility for the Estimated Historical Financial Information

My responsibility is to express a conclusion on the estimated historical financial information based on my review. I have conducted the review in accordance with the *Auditor-General of Queensland Auditing Standards* which incorporates the Standard on Review Engagements ASRE 2405 *Review of Historical Information Other than a Financial Report* (ASRE 2405). This review was conducted in order to state whether, on the basis of the procedures described, anything has come to my attention that causes me to believe that the estimated historical financial information is not prepared, in all material respects, in accordance with the RIN and Energex Limited's Basis of Preparation.

A review in accordance with ASRE 2405 is a limited assurance engagement. I perform procedures, primarily consisting of making enquiries of management and others within the Entity, as appropriate, and applying analytical procedures and evaluates the evidence obtained.

The procedures performed in a review are substantially less in scope than those performed in an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit.

Accordingly, I do not express an audit opinion on the estimated historical financial information.

I am independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my review of the estimated historical financial information. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*. In conducting the review the independence requirements of the RIN have been complied with.

Conclusion

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that the estimated historical financial information of Energex Limited as at the balance dates, and for the years ending as stipulated above, included in the templates as stipulated above under the heading "Report on Regulatory Reporting Statements" is not, in all material respects, prepared, in accordance with the requirements of the RIN and Energex Limited's Basis of Preparation.

I confirm that I meet the requirements of paragraph 2.1 of Appendix C of the RIN in relation to requirements to be met by the person conducting the review of the Regulatory Reporting Statements.

Emphasis of Matter - Basis of Preparation

Without modifying my conclusion, I draw attention to the Basis of Preparation, the provisions of Schedules 1 and 2 and Appendix E of the RIN, which describes the basis of preparation. The estimated historical financial information has been prepared for the purpose of fulfilling Energex Limited's reporting responsibilities in accordance with the RIN. As a result, the estimated historical financial information may not be suitable for another purpose.

Other Matters - Electronic Presentation of the Reviewed Information

Those viewing an electronic version of the Regulatory Reporting Statements and the Basis of Preparation, should note that this review conclusion relates only to the documents listed in the table below. Any changes made to these documents subsequent to this, have not been reviewed.

Template	Attachment Name	Date and Time
Workbook 2 – New Historical Category Analysis RIN Template	EGX 17.047 2020-2025 New historical Category Analysis RIN template JAN19 PUBLIC.xlsx	24/01/2019 12:31 PM
Workbook 3 – Recast Category Analysis RIN Template	EGX 17.048 2020-2025 – Recast Category Analysis RIN template JAN19 PUBLIC.xlsm	24/01/2019 3:29 PM
Workbook 4 – Recast Economic Benchmarking RIN Template	EGX 17.049 2020-2025 – Recast Economic Benchmarking RIN template JAN19 PUBLIC.xlsx	24/01/2019 12:34 PM

Basis of Preparation – Attachment Name	Date & Time
EGX 17.006 Basis of Preparation – New Historical Category Analysis JAN19 PUBLIC.pdf	24/01/2019 1:48 PM
EGX 17.007 Basis of Preparation – Recast Category Analysis JAN19 PUBLIC.pdf	24/01/2019 1:48 PM
EGX 17.008 Basis of Preparation – Recast Economic Benchmarking JAN19 PUBLIC.pdf	24/01/2019 1:48 PM



Damon Olive
 as Delegate of the Auditor-General

30 January 2019
 Queensland Audit Office
 Brisbane

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

Report on Regulatory Reporting Statements

I have undertaken a limited assurance engagement relating to the Australian Energy Regulator (AER) Distribution Network Service Provider (DNSP) Reset Regulatory Reporting Templates – Estimated Historical Non-Financial Information (Regulatory Reporting Statements) of Energex Limited (the Entity) as at the balance dates, and for the years ending as stipulated below, prepared by Energex Limited pursuant to the provisions of the Regulatory Information Notice (RIN) under Division 4 Part 3 of the *National Electricity (Qld) Law*, issued to Energex Limited by the AER on 31 October 2018.

The information subject to review includes the Basis of Preparation and estimated historical non-financial information contained in the templates as listed below:

Workbook	Template	Table	For the years ending
Workbook 2 – New Historical Category Analysis RIN Template	Template 2.5 Connections	2.5.3 – VOLUMES BY CONNECTION CLASSIFICATION	2008-09 to 2017-18
Workbook 3 – Recast Category Analysis RIN Template	Template 4.4 Ancillary Services – Quoted Services	4.4.1 – COST METRICS FOR QUOTED SERVICES	2008-09 to 2017-18

Management's Responsibility for the Regulatory Reporting Statements

Management is responsible for the preparation and fair presentation of the Regulatory Reporting Statements, ensuring the estimated historical non-financial information reported is the best estimate of the information prepared in accordance with Energex Limited's Basis of Preparation and the provisions of Schedules 1 and 2 and Appendix E of the RIN.

Management's responsibility also includes such internal control as management determines necessary to enable the preparation and fair presentation of the non-financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Estimated Historical Non-Financial Information

My responsibility is to express a limited assurance conclusion on the estimated historical non-financial information based on my procedures. I conducted my engagement in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporates the standards on assurance engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ASAE 3000), in order to conclude whether, on the basis of the procedures described, anything has come to my attention that causes me to believe that the estimated historical non-financial information is not prepared, in all material respects, in accordance with the requirements of the RIN and Energex Limited's Basis of Preparation.

My procedures consisted primarily of making enquiries of management and others within the Entity, as appropriate, applying analytical procedures and evaluating the evidence obtained.

My procedures provide limited assurance as defined by ASAE 3000. A limited assurance engagement is substantially less in scope than those a reasonable assurance engagement conducted in accordance with ASAE 3000 and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in a limited assurance engagement.

Accordingly, I do not express a conclusion providing reasonable assurance.

I am independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my review of the historical non-financial information. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

In conducting the engagement, the independence requirements of the RIN have been complied with.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to my attention that causes me to believe that the estimated historical non-financial information of Energex Limited as at the balance dates, and for the years ending as stipulated above, included in the templates as stipulated above under the heading of "Report on Regulatory Reporting Statements" is not, in all material respects, prepared in accordance with the requirements of the RIN and Energex Limited's Basis of Preparation.

I confirm that I meet the requirements of paragraph 2.1 of Appendix C of the RIN in relation to requirements to be met by the person conducting the audit of the regulatory reporting statements.

Emphasis of Matter – Basis of Preparation

Without modifying my opinion, I draw attention to the Basis of Preparation and the provisions of Schedules 1 and 2 and Appendix E of the RIN, which describe the basis of preparation. The estimated historical non-financial information has been prepared for the purpose of fulfilling Energex Limited's reporting responsibilities in accordance with the RIN.

As a result, the information may be not be suitable for another purpose.

Other Matters – Electronic Presentation of the Audited Information

Those viewing an electronic version of the Regulatory Reporting Statements and the Basis of Preparation should note that this review conclusion relates only to the documents listed in the table below. Any changes made to these documents subsequent to this, have not been reviewed.

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Workbook 3 – Recast Category Analysis RIN Template	EGX 17.048 2020-2025 – Recast Category Analysis RIN template JAN19 PUBLIC.xlsm	24/01/2019 3:29 PM

Basis of Preparation – Attachment Name	Date and Time
EGX 17.006 Basis of Preparation – New Historical Category Analysis JAN19 PUBLIC.pdf	24/01/2019 1:48 PM
EGX 17.007 Basis of Preparation – Recast Category Analysis JAN19 PUBLIC.pdf	24/01/2019 1:48 PM



Damon Olive
 as Delegate of the Auditor-General

30 January 2019
 Queensland Audit Office
 Brisbane