

RIN17

RIN audit reports

17.1

ASA 805 audit opinion



Independent auditor's report

To the Partners of Ausgrid Operator Partnership ("the Partnership")

Our opinion

In our opinion, the actual historical financial information included in the accompanying response by Ausgrid to the Regulatory Information Notice (the "Report") for the regulatory periods commencing 1 July 2019 to 30 June 2024 is prepared, in all material respects, in accordance with the Regulatory Information Notice ("RIN") dated 30 January 2018 as issued by the Australian Energy Regulator.

What we have audited

The actual historical financial information as outlined in the Basis of Preparation included in the Report.

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 Report* 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 Partnership 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 our audit of the Report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - basis of preparation and restriction on distribution and use

We draw attention to the Basis of Preparation, which describes the basis of preparation. The Report has been prepared to assist the Partnership in satisfying the requirements of Regulatory Information Notice, dated 30 January 2018 as issued by the Australian Energy Regulator. As a result, the Report may not be suitable for another purpose. Our report is intended solely for the Partnership and the Australian Energy Regulator and should not be distributed to or used by parties other than the Partnership and the Australia Energy Regulator. Our opinion is not modified in respect of this matter.

Responsibilities of management for the Report

Management is responsible for the preparation and fair presentation of the Report in accordance with Regulatory Information Notice, dated 30 January 2018 as issued by the Australian Energy Regulator. This includes determining that the basis of preparation as described in the Report is appropriate in the circumstances. Management is also responsible for such internal control as they determine is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error.

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Auditor's responsibilities for the audit of the Report

Our objectives are to obtain reasonable assurance about whether the Report 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 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 Report.

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 Report, 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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.

Matters relating to the electronic presentation of the Report

This auditor's audit report relates to the Report for the regulatory periods commencing 1 July 2019 to 30 June 2024 which may be included on a web site. We have not been engaged to report on the integrity of a web site. The auditor's report refers only to the Report named above. It does not provide a conclusion on any other information which may have been hyperlinked to/from the Report. If users of this Report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed Report to confirm the information included in the reviewed Report presented on this web site.



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A handwritten signature in black ink, appearing to read 'Brett Entwistle'.

Brett Entwistle
Partner

Sydney
5 April 2018

17.2

ASRE 2405

review opinion



Independent Auditor's Review Report on the AER Regulatory Information Notice Response templates for distribution network service providers for the regulatory periods commencing 1 July 2019 to 30 June 2024 to the Partners of Ausgrid Operator Partnership.

Scope

We have reviewed the attached AER Regulatory Information Notice Response templates for distribution network service providers ("Report"), of Ausgrid Operator Partnership for the regulatory period commencing 1 July 2019 to 30 June 2024. This comprises:

- The estimated historical financial information as outlined in the Basis of Preparation included in the Report; and
- The accompanying Basis of Preparation.

The Report has been prepared to satisfy the requirements of the Regulatory Information Notice under Division 4 of Part 3 of the National Electricity (New South Wales) Law dated 30 January 2018 issued by the Australian Energy Regulator.

Management's Responsibility for the Report

Management is responsible for the preparation of the Report and has determined that the criteria used in the Basis of Preparation accompanying the Report are appropriate to the needs of the Australian Energy Regulator. This responsibility includes establishing and maintaining internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the Report based on our review. We have conducted our review in accordance with Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the Report is not prepared, in all material respects, in accordance with the Basis of Preparation accompanying the Report.

No opinion is expressed as to whether the criteria used in the Basis of Preparation are appropriate to the needs of the Australian Energy Regulator.

ASRE 2405 requires us to comply with the requirements of the applicable code of professional conduct of a professional accounting body.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the estimated historical financial information of the Report of the Partnership has not been prepared, in all material respects, in accordance with the accompanying Basis of Preparation for regulatory periods commencing 1 July 2019 to 30 June 2024.

Basis of preparation and restriction on distribution and use

We draw attention to the accompanying Basis of Preparation, which describes the basis of preparation. The Report has been prepared by management for the Australian Energy Regulator for the purpose of fulfilling the requirements of the Regulatory Information Notice dated 30 January 2018 issued by the Australian Energy Regulator. As a result, the Report may not be suitable for another purpose. Our report is intended solely for the Partnership and the Australian Energy Regulator and should not be distributed to or used by parties other than the Partnership and the Australian Energy Regulator. Our conclusion is not modified in respect of this matter.

Matters relating to the electronic presentation of the Report

This auditor's audit report relates to the Report for the regulatory periods commencing 1 July 2019 to 30 June 2024 which may be included on a web site. We have not been engaged to report on the integrity of a web site. The auditor's report refers only to the Report named above. It does not provide a conclusion on any other information which may have been hyperlinked to/from the Report. If users of this Report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed Report to confirm the information included in the reviewed Report presented on this web site.

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PricewaterhouseCoopers

A handwritten signature in black ink, appearing to be 'Brett Entwistle'.

Brett Entwistle
Partner

Sydney
5 April 2018

17.3

ASAE 3000 review opinion



Independent assurance report on the AER Regulatory Information Notice Response templates for distribution network service providers for the regulatory periods commencing 1 July 2019 to 30 June 2024 to the Partners of Ausgrid Operator Partnership

Scope

In accordance with the terms of our engagement letter dated 30 November 2017, we were engaged by Ausgrid Operator Partnership (“the Partnership”) to perform an independent limited assurance engagement in respect of the AER Regulatory Information Notice Response templates for distribution network service providers for the regulatory periods commencing 1 July 2019 to 30 June 2024 (the “Report”) as required by the Regulatory Information Notice under Division 4 of Part 3 of the National Electricity (New South Wales) Law dated 30 January 2018 issued by the Australian Energy Regulator. This comprises:

- The historical non-financial information as outlined in the Basis of Preparation included in the Report; and
- The accompanying Basis of Preparation.

The Report has been prepared to satisfy the requirements of the Regulatory Information Notice, dated 30 January 2018 as issued by the Australian Energy Regulator.

We have assessed the Report against the Basis of Preparation accompanying the Report. As requested by you we vouched information to the underlying data sources as detailed in the Basis of Preparation. However, it was impracticable to observe or physically count the items recorded in the Partnership’s historical data sources.

Management’s responsibilities for the Report

Management is responsible for the preparation of the Report in accordance with the Basis of Preparation. This responsibility includes establishing and maintaining internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

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.

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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 Report has not been prepared, in all material aspects, in accordance with the Regulatory Information Notice dated 30 January 2018 as issued by the Australian Energy Regulator.

The procedures we performed were based on our professional judgement and included:

- analytical procedures
- sample testing of selected information to data sources
- re-performance of calculations
- enquiry procedures over key processes and controls in calculating and reporting the Report.

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.

Inherent limitations

Because of the inherent limitations of any internal control framework and the underlying historical non-financial data, 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 Report with the Basis of Preparation as it is limited primarily to making enquiries, primarily of the Partnership's management, and applying analytical and other review 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 historical non-financial information in the Report of the Partnership has not been prepared, in all material respects, in accordance with the accompanying Basis of Preparation for the regulatory periods commencing 1 July 2019 to 30 July 2024.

Basis of preparation and restriction on distribution and use

We draw attention to the accompanying Basis of Preparation, which describes the basis of preparation. The Report has been prepared by management for the Australian Energy Regulator for the purpose of



fulfilling the requirements of the Regulatory Information Notice dated 30 January 2018 issued by the Australian Energy Regulator. As a result, the Report may not be suitable for another purpose. Our report is intended solely for the Partnership and the Australian Energy Regulator and should not be distributed to or used by parties other than the Partnership and the Australian Energy Regulator. Our conclusion is not modified in respect of this matter.

Matters relating to the electronic presentation of the Report

This auditor's review report relates to the Report for the regulatory periods commencing 1 July 2019 to 30 June 2024 which may be included on a web site. We have not been engaged to report on the integrity of a web site. The auditor's report refers only to the Report named above. It does not provide a conclusion on any other information which may have been hyperlinked to/from the Report. If users of this Report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed Report to confirm the information included in the reviewed Report presented on a web site.

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PricewaterhouseCoopers

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Brett Entwistle
Partner

Sydney
5 April 2018