

Independent Auditor's Report to the Directors of CitiPower Pty

We have audited the Charges Revision Application (the "Application") for CitiPower Pty ("CitiPower") prepared in accordance with Clause 5H.2(a) of the AMI Cost Recover Order (as documented per the Victorian Government Gazette No. S314, dated 25 November 2008) (the "Order").

Management's Responsibility for the Application

Management is responsible for the preparation and fair presentation of the Application and have determined that the basis of preparation is appropriate to meet the requirements of the Electricity Industry Act 2000 'Notice Pursuant to Clause 14B.1 of the AMI Cost Recover Order' as documented per the Victoria Government Gazette No. G4, dated 22 January 2009 (the "Act") and the Order and is appropriate to meet the needs of the directors, the Australian Energy Regulator ("AER") and the Minister. Management's responsibility also includes such internal control as they determine is necessary to enable the preparation and fair presentation of the Application that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the above outlined matters in the Application based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Application is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the Application. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Application, 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 Application 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 Application.

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

Opinion

In our opinion and in all material respects:

1. The nature of the expenditure reported in the Application is within the scope of the AMI activities set out in the Act.
2. The expenditure reported in the Application has been incurred in the amount claimed for the year ended 31 December 2014.

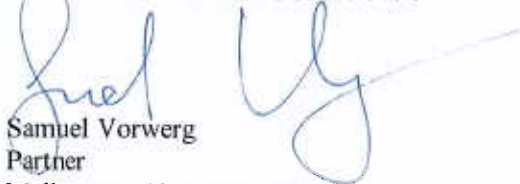
Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to the "Management's Responsibility for the Application" section above, which describes the basis of accounting. The Application has been prepared to assist CitiPower to meet the reporting requirements of the Act and the Order. As a result, the Application may not be suitable for another purpose. Our report is intended solely for the Directors of CitiPower, the AER and the Minister, and should not be used by any other parties.

We understand that the AER may publish a copy of our report on their website. We accept no responsibility to any person or entity, apart from CitiPower, that is provided with, or obtains a copy of our report, without our written agreement. No other person or entity is entitled to rely, in any manner, or for any purpose, on this report. We do not accept or assume responsibility to anyone other than CitiPower for our work, for this report, or for any reliance which may be placed on this report by any party other than CitiPower.

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Samuel Vorweg
Partner

Melbourne, 19 August 2015