



Independent assurance report on Annual Ring Fencing Compliance

To the Australian Energy Regulator and the Directors of Endeavour Energy

Opinion

We have undertaken a reasonable assurance engagement on Endeavour Energy's Statement of Compliance, in all material respects, with the Annual Ring Fencing Guideline as evaluated against the Ring Fencing Guideline, under clause 6.17.2 of the National Electricity Rules, throughout the year to 30 June 2018. This Statement will accompany our report, for the purpose of reporting to the Australian Energy Regulator.

In our opinion, Endeavour Energy's Statement is fairly presented in that Endeavour Energy has complied, in all material respects, with the Annual Ring Fencing Guideline as evaluated against the Ring Fencing Guideline, under clause 6.17.2 of the National Electricity Rules, throughout the financial year to 30 June 2018.

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 conclusion.

Endeavour Energy's responsibilities

Endeavour Energy is responsible for:

- (a) Providing a Statement with respect to the outcome of the evaluation of the compliance activity against the Ring Fencing Guideline, under clause 6.17.2 of the National Electricity Rules, which accompanies this independent assurance report.
- (b) Identification of the compliance requirements under the Ring Fencing Guideline, under clause 6.17.2 of the National Electricity Rules.
- (c) The compliance activity undertaken to meet the Ring Fencing Guideline, under clause 6.17.2 of the National Electricity Rules.
- (d) Identification and implementation of controls which will mitigate those risks that prevent the compliance requirements of the Ring Fencing Guideline, under clause 6.17.2 of the National Electricity Rules, being met and monitoring ongoing compliance.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.



Our responsibility

Our responsibility is to express an opinion, on Endeavour Energy's Statement of Compliance with the Ring Fencing Guideline, under clause 6.17.2 of the National Electricity Rules, in all material respects, as evaluated against the Ring Fencing Guideline, for the year to 30 June 2018. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether Endeavour Energy's Statement of Compliance is fairly presented in that Endeavour Energy has complied, in all material respects, with the Annual Ring Fencing Guideline throughout the year to 30 June 2018.

An assurance engagement to report on Endeavour Energy's Statement of Compliance with the Ring Fencing Guideline, under clause 6.17.2 of the National Electricity Rules, involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the Ring Fencing Guideline, under clause 6.17.2 of the National Electricity Rules. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the Ring Fencing Guideline.

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 year ended 30 June 2018 does not provide assurance on whether compliance with the Ring Fencing Guideline, under clause 6.17.2 of the National Electricity Rules, will continue in the future.

Use of report

This report has been prepared for use by the Directors of Endeavour Energy and the Australian Energy Regulator for the purpose of Annual Ring Fencing Guideline Compliance requirements. We disclaim any assumption of responsibility for any reliance on this report to any person other than the Australian Energy Regulator and the Directors of Endeavour Energy, or for any other purpose than that for which it was prepared.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', is written over the printed name 'PricewaterhouseCoopers'.

Andrew McPherson
Partner

Sydney
31 October 2018