

Independent Auditor's Report to the Directors of Endeavour Energy

In accordance with our Services Agreement dated 13 December 2017 and the Regulatory Information Notice ("the Notice") issued to Endeavour Energy by the Australian Energy Regulator ("AER") on 30 January 2018, we have audited the actual historical following historical financial information contained within the accompanying data template ("the Financial Information"):

| Template | Table number | Title |
|--------------------------|--------------|---|
| AER Final RIN -1- Reset | 2.11.3 | Labour/Non Labour Expenditure Split - Standard Control Services (years 2012-13 to 2016-17) |
| | 7.4.1 | Total Unregulated Revenue Earned with Shared Assets (years 2009-10 to 2016-17) |
| AER Final RIN -2- New CA | 2.5.2 | Cost Metrics by Connection Classification (years 2008-2009 to 2016-17) |
| | 2.6.4 | Information and Communications Technology - Capex by Purpose (years 2008-09 to 2016-17) |
| | 2.10.1 | Network Overheads Expenditure (years 2008-09 to 2016-17) |
| | 2.10.2 | Corporate Overheads (years 2008-09 to 2016-17) |
| AER Final RIN -5- EBSS | 7.5.1.1 | Opex Allowance Applicable to EBSS (EBSS Target) (years 2012-13 to 2016-17) |
| | 7.5.1.2 | Actual and Estimated Opex Applicable to EBSS (years 2012-13 to 2016-17) |
| AER Final RIN -6- CESS | CESS | Forecast Capex for CESS Purposes (CESS Target) (years 2015-16 to 2016-17) and Actual/Estimated Capex for CESS Purposes (years 2015-16 to 2016-17) |

This information has been prepared by Endeavour Energy in response to the Regulatory Information Notice ("the Notice") issued by the Australian Energy Regulator ("the AER") under Division 4 of Part 3 of the *National Electricity (New South Wales) Law* for the regulatory control period commencing on 1 July 2019 and ending on 30 June 2024.

The AER requires the information for the performance of a function conferred on it under the *National Electricity (New South Wales) Law*, and sets out its reasons for requiring the information in Appendix D of the Notice.

Scope exclusions

The Notice requires us to design procedures which assess whether the Financial Information is verifiable, can be reconciled with the audited statutory accounts or previously submitted audited submissions of Endeavour Energy. In accordance with the Notice, the scope of our engagement included examining reconciliations of the Financial Information with the underlying trial balance used to prepare the audited statutory information. Our scope did not include performing any procedures on previously audited statutory information, forecast information or sections of the data template not listed above.

Management's Responsibility for the Data Template and Basis of Preparation

Management is responsible for the preparation of the Financial Information and ensuring that it is appropriate for the requirements of the AER. Management is also responsible for such internal controls

as management determines are necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Information based on our audit. We conducted our audit in accordance with *ASA 805 Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*. ASA 805 requires that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Information is free from material misstatement.

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 judgment, including the assessment of the risks of material misstatement of the Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the Financial 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 controls.

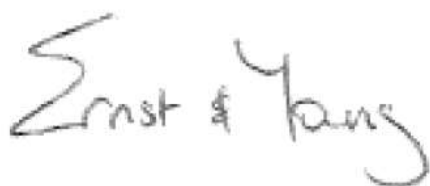
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on the procedures performed and excluding the information detailed in the scope exclusion paragraph, the Financial Information is presented fairly, in all material respects, in accordance with the requirements of the Notice, in accordance with the Regulatory Information Notice (RIN) dated 30 January 2018 as issued by the Australian Energy Regulator.

Basis of Accounting and Restriction on Distribution

The data template has been prepared by management for the purpose of fulfilling Endeavour Energy's reporting requirements to the AER and as a result may not be suitable for another purpose. Without modifying our opinion, we disclaim any assumption of responsibility for any reliance on this report, or on the data template to which it relates, to any person or for any other purpose than that for which it was prepared. Our report is intended solely for Endeavour Energy and the AER and should not be distributed to any other parties.



Ernst & Young

Sydney
30 April 2018