

Your ref:
Our ref: 2014-1875
Nick George 3149 6142



30 October 2014

Mr T Effeney
Chief Executive Officer
ENERGEX Limited
GPO Box 1461
BRISBANE QLD 4001

Dear Mr Effeney

Reset Regulatory Information Notice – 2006 to 2014

The Reset Regulatory Information Notice – 2006 to 2014, prepared by Energex Limited pursuant to the provisions of the Reset Regulatory Information Notice (RIN) under Division 4 part 3 of the *National Electricity (Qld) Law* has been certified. A copy of the following documents will be emailed to Executive General Manager, Strategy, Regulation and Governance, Mr Kevin Kehl:

- Actual Historical Financial Information audit report
- Estimated Historical Financial Information review report
- Actual and Estimated Historical Non-Financial Information review report
- This transmittal letter.

The original documents, which list the certified RIN templates and Basis of Preparation, are enclosed.

Yours sincerely

A handwritten signature in black ink that reads 'George'.

Nick George
Director

Enc.

INDEPENDENT AUDITOR'S REPORT

To the Members of Energex Limited

Report on Regulatory Reporting Statements

I have audited the accompanying Australian Energy Regulator (AER) Distribution Network Service Provider (DNSP) Reset Data Templates – Actual Historical Financial Information of Energex Limited as at, and for the years ended 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 25 August 2014. The information subject to audit includes the basis of preparation and the actual historical financial information contained in the templates and for the periods as listed below:

- i. Regulatory template 2.1: Expenditure summary & reconciliation in respect of the years ended 30 June 2009 to 30 June 2014;
- ii. Regulatory template 2.2: Repex in respect of the years ended 30 June 2009 to 30 June 2014;
- iii. Regulatory template 2.3: Augex project data in respect of the year ended 30 June 2014;
- iv. Regulatory template 2.4: Augex model in respect of the years ended 30 June 2010 to 30 June 2014;
- v. Regulatory template 2.5: Connections in respect of the years ended 30 June 2009 to 30 June 2014;
- vi. Regulatory template 2.6: Non-network in respect of the years ended 30 June 2009 to 30 June 2014;
- vii. Regulatory template 2.7: Vegetation management in respect of the years ended 30 June 2010 to 30 June 2014;
- viii. Regulatory template 2.8: Maintenance in respect of the years ended 30 June 2011 to 30 June 2014;
- ix. Regulatory template 2.9: Emergency response in respect of the years ended 30 June 2010 to 30 June 2014;
- x. Regulatory template 2.10: Overheads in respect of the years ended 30 June 2009 to 30 June 2014;
- xi. Regulatory template 2.11: Labour in respect of the years ended 30 June 2009 to 30 June 2014;
- xii. Regulatory template 2.12: Input tables in respect of the years ended 30 June 2009 to 30 June 2014;
- xiii. Regulatory template 2.14: Forecast price changes in respect of the years ended 30 June 2011 to 30 June 2014;
- xiv. Regulatory template: 2.15: Insurance and self-insurance in respect of the years ended 30 June 2011 to 30 June 2014;
- xv. Regulatory template 2.17: Step changes in respect of the years ended 30 June 2009 to 30 June 2014;

- xvi. Regulatory template 4.1: Public lighting in respect of the years ended 30 June 2010 to 30 June 2014;
- xvii. Regulatory template 4.2: Metering in respect of the years ended 30 June 2010 to 30 June 2014;
- xviii. Regulatory template 4.3: Ancillary services – Fee-based services in respect of the years ended 30 June 2010 to 30 June 2014;
- xix. Regulatory template 4.4: Ancillary services – Quoted services in respect of the years ended 30 June 2010 to 30 June 2014;
- xx. Regulatory template 7.4: Shared assets in respect of the years ended 30 June 2006 to 30 June 2014;
- xxi. Regulatory template 7.5: EBSS in respect of the years ended 30 June 2010 to 30 June 2014; and
- xxii. Regulatory template 7.7: Services, indicative prices in respect of the years ended 30 June 2011 to 30 June 2014.

Management's Responsibility for the Regulatory Reporting Statements

Management is responsible for the preparation and fair presentation of the information, ensuring that the audited historical financial information reported in the regulatory information templates is in accordance with Energex Limited's Basis of Preparation and the provisions of Schedules 1 and 2, in the manner and format prescribed in 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 audited historical financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the actual historical financial information based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the actual historical 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 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 information.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

In conducting the audit the independence requirements of the RIN Appendix C, paragraph 2.1(b) have been complied with.

Opinion

In my opinion, the actual historical financial information of Energex Limited included in the templates as at and for the years ended as stipulated above under the heading of "Report on Regulatory Reporting Statements", is presented fairly, in all material respects, in accordance with the requirements of the RIN and Energex Limited's Basis of Preparation.

Emphasis of Matter – Basis of Preparation

Without modifying my opinion, attention is drawn to the Basis of Preparation, the provisions of Schedules 1 and 2 and the format prescribed in 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 not be suitable for another purpose.

Other Matters - Electronic Presentation of the Audited Information

Those viewing an electronic version of the Reset Data Templates and the Basis of Preparation, should note that this audit opinion relates only to the documents: "QLD – RESET RIN 2015-20 – Actual Final@28102014.xlsm" dated 29/10/2014 2:40 PM and "Reset RIN consolidated BOP.PDF" dated 29/10/2014 3:40 PM. Any changes made to these documents subsequent to this, have not been audited.



N GEORGE CPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Energex Limited

Report on Regulatory Reporting Statements

I have reviewed the accompanying Australian Energy Regulator (AER) Distribution Network Service Provider (DNSP) Reset Data Templates – Estimated Historical Financial Information of Energex Limited as at, and for the years ended 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 25 August 2014. The information subject to review includes the basis of preparation and the estimated historical financial information contained in the templates and for the periods as listed below:

- i. Regulatory template 2.1: Expenditure summary & reconciliation in respect of the years ended 30 June 2009 to 30 June 2014;
- ii. Regulatory template 2.2: Repex in respect of the years ended 30 June 2009 to 30 June 2014;
- iii. Regulatory template 2.3: Augex project data in respect of the year ended 30 June 2014;
- iv. Regulatory template 2.4: Augex model in respect of the years ended 30 June 2010 to 30 June 2014;
- v. Regulatory template 2.5: Connections in respect of the years ended 30 June 2009 to 30 June 2014;
- vi. Regulatory template 2.6: Non-network in respect of the years ended 30 June 2009 to 30 June 2014;
- vii. Regulatory template 2.7: Vegetation management in respect of the years ended 30 June 2010 to 30 June 2014;
- viii. Regulatory template 2.8: Maintenance in respect of the years ended 30 June 2011 to 30 June 2014;
- ix. Regulatory template 2.9: Emergency response in respect of the years ended 30 June 2010 to 30 June 2014;
- x. Regulatory template 2.10: Overheads in respect of the years ended 30 June 2009 to 30 June 2014;
- xi. Regulatory template 2.11: Labour in respect of the years ended 30 June 2009 to 30 June 2014;
- xii. Regulatory template 2.12: Input tables in respect of the years ended 30 June 2009 to 30 June 2014;
- xiii. Regulatory template 2.14: Forecast price changes in respect of the years ended 30 June 2011 to 30 June 2014;
- xiv. Regulatory template: 2.15: Insurance and self-insurance in respect of the years ended 30 June 2011 to 30 June 2014;
- xv. Regulatory template 2.17: Step changes in respect of the years ended 30 June 2009 to 30 June 2014;
- xvi. Regulatory template 4.1: Public lighting in respect of the years ended 30 June 2010 to 30 June 2014;

- xvii. Regulatory template 4.2: Metering in respect of the years ended 30 June 2010 to 30 June 2014;
- xviii. Regulatory template 4.3: Ancillary services – Fee-based services in respect of the years ended 30 June 2010 to 30 June 2014;
- xix. Regulatory template 4.4: Ancillary services – Quoted services in respect of the years ended 30 June 2010 to 30 June 2014;
- xx. Regulatory template 7.4: Shared assets in respect of the years ended 30 June 2006 to 30 June 2014;
- xxi. Regulatory template 7.5: EBSS in respect of the years ended 30 June 2010 to 30 June 2014; and
- xxii. Regulatory template 7.7: Services, indicative prices in respect of the years ended 30 June 2011 to 30 June 2014.

Management's Responsibility for the Regulatory Reporting Statements

Management is responsible for the preparation and fair presentation of the information, ensuring that the estimated historical financial information reported in the regulatory information templates 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, in the manner and format prescribed in 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 reviewed historical financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express a conclusion on the estimated historical financial information based on my review. I conducted my review in accordance with the *Auditor-General of Queensland Auditing Standards* and Auditing Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. 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, in all material respects, presented fairly in accordance with the RIN and Energex Limited's Basis of Preparation.

A review of historical financial information 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 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.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct a review in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting a review, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

In conducting the review the independence requirements of the RIN Appendix C, paragraph 2.1(b) 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 included in the templates as at and for the years ended as stipulated above, under the heading of "Report on Regulatory Reporting Statements", is not, in all material respects, presented fairly in accordance with the requirements of the RIN and Energex Limited's Basis of Preparation.

Emphasis of Matter – Basis of Preparation

Without modifying my conclusion, attention is drawn to the Basis of Preparation, the provisions of Schedules 1 and 2 and the format prescribed in Appendix E of the RIN, which describe the full 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 information may not be suitable for another purpose.

Other Matters - Electronic Presentation of Information

Those viewing an electronic version of the Reset Data Templates and the Basis of Preparation, should note that this review conclusion relates only to the documents: "QLD – RESET RIN 2015-20 – Estimated Final@28102014.xlsm" dated 29/10/2014 2:41 PM and "Reset RIN consolidated BOP.PDF" dated 29/10/2014 3:40 PM. Any changes made to these documents subsequent to this, have not been reviewed.



N GEORGE CPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Energex Limited

Report on Regulatory Reporting Statements

I have been engaged by Energex Limited to conduct a limited assurance engagement relating to the Australian Energy Regulator (AER) Reset Data templates for Distribution Network Service Providers (DNSP) – Actual and Estimated Historical Non-Financial Information as at, and for the years ended as stipulated below, prepared 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 on 25 August 2014. The information subject to review includes the basis of preparation and actual and estimated historical non-financial information contained in the templates for the periods as listed below:

- i. Regulatory template 2.2: Repex in respect of the year ended 30 June 2014;
- ii. Regulatory template 2.3: Augex project data in respect of the year ended 30 June 2014;
- iii. Regulatory template 2.4 Augex model in respect of the years ended 30 June 2010 to 30 June 2014;
- iv. Regulatory template 2.5: Connections in respect of the years ended 30 June 2009 to 30 June 2014;
- v. Regulatory template 2.6: Non-network in respect of the years ended 30 June 2009 to 30 June 2014;
- vi. Regulatory template 2.7: Vegetation management in respect of the years ended 30 June 2010 to 30 June 2014;
- vii. Regulatory template 2.8: Maintenance in respect of the years ended 30 June 2010 to 30 June 2014;
- viii. Regulatory template 2.11: Labour in respect of the years ended 30 June 2009 to 30 June 2014;
- ix. Regulatory template 2.14: Forecast price changes in respect of the years ended 30 June 2011 to 30 June 2014;
- x. Regulatory template 2.15: Insurance and self-insurance in respect of the year ended 30 June 2014
- xi. Regulatory template 4.1: Public lighting in respect of the years ended 30 June 2010 to 30 June 2014;
- xii. Regulatory template 4.2: Metering in respect of the years ended 30 June 2010 to 30 June 2014;
- xiii. Regulatory template 4.3: Ancillary services – Fee-based services in respect of the years ended 30 June 2010 to 30 June 2014;
- xiv. Regulatory template 4.4: Ancillary services – Quoted services in respect of the years ended 30 June 2010 to 30 June 2014;
- xv. Regulatory template 7.7: Services and indicative prices in respect of the years 30 June 2011 to 30 June 2014.

Management's Responsibility for the Regulatory Reporting Statements

Management is responsible for the preparation and fair presentation of the information, ensuring that the actual and estimated historical non-financial information reported in the regulatory information templates 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, in the manner and format prescribed in 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

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

My procedures consisted primarily of making enquiries and applying analytical and other review procedures. My engagement provides limited assurance as defined in ASAE 3000. A limited assurance engagement is substantially less in scope than 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 reasonable assurance engagement. Accordingly, I do not express an opinion providing reasonable assurance.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct a review in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting a review, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

In conducting the review the independence requirements of the RIN Appendix C, paragraph 2.1(b) 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 actual and estimated historical non-financial information of Energex Limited included in the templates as at and for the years ended as stipulated above under the heading of "Report on Regulatory Reporting Statements", is not, in all material respects, presented fairly in accordance with the requirements of the RIN and Energex Limited's Basis of Preparation.

Emphasis of Matter – Basis of Preparation

Without modifying my conclusion, attention is drawn to the Basis of Preparation, the provisions of Schedules 1 and 2 and the format prescribed in Appendix E of the RIN, which describe the basis of preparation. The actual and 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 not be suitable for another purpose.

Other Matters - Electronic Presentation of Information

Those viewing an electronic version of the Reset Data Templates and the Basis of Preparation, should note that this review conclusion relates only to the documents: "QLD – RESET RIN 2015-20 – Actual Final@28102014.xlsm" dated 29/10/2014 2:40 PM, "QLD – RESET RIN 2015-20 – Estimated Final@28102014.xlsm" dated 29/10/2014 2:41 PM and "Reset RIN consolidated BOP.PDF" dated 29/10/2014 3:40 PM. Any changes made to these documents subsequent to this, have not been reviewed.



N GEORGE CPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane