

## Independent Assurance Practitioner's Report to Essential Energy

We have reviewed the financial information within the following tables in the data template entitled '*Essential Energy Reset RIN 2014 Estimated Information.xlsx*' attached at Appendix B and all non-financial information within the following tables in the data template entitled '*Essential Energy Reset RIN 2014 Actual Information.xlsx*' attached at Appendix A and '*Essential Energy Reset RIN 2014 Estimated Information.xlsx*' attached at Appendix B:

- ▶ Tables 2.1.1, 2.1.2, 2.1.3, 2.1.4, 2.1.5, 2.1.6, 2.2.1, 2.2.2, 2.3.1, 2.3.2, 2.3.3.1, 2.3.3.2, 2.3.4, 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.5.1, 2.5.2, 2.6.1, 2.6.2, 2.6.3, 2.7.1, 2.7.2, 2.8.1, 2.8.2, 2.9.1, 2.10.1, 2.10.2, 2.11.1, 2.11.2, 2.12, 2.13.1, 2.13.2, 2.15.1, 2.15.2, 2.15.3, 4.1.1, 4.1.2, 4.1.3, 4.2.1, 4.2.2, 4.3, 4.4, 5.2.1, 5.3.1, 5.4.1, 6.1.1, 6.2.1, 6.2.2, 6.2.3, 6.2.4, 6.2.5, 6.2.6, 6.2.7, 6.3.1, 6.4.1, 7.4.1 and 7.4.2.

This information has been prepared in accordance with Essential Energy's Basis of Preparation (the "Basis of Preparation") in response to the Category Analysis Regulatory Information Notice ("the Notice") issued by the Australian Energy Regulator ("AER"), for the regulatory years 2008/09 to 2012/13 inclusive.

The AER requires the Estimated Financial Information, Non-Financial Information and an accompanying Basis of Preparation document for the performance of a function conferred on it under the National Electricity (*New South Wales*) Law, namely conducting various benchmarking exercises as outlined in the Regulatory Information Notice issued to Essential Energy on 7 March 2014.

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

Management is responsible for the preparation of the Estimated Financial Information, Non-Financial Information and Basis of Preparation, and has noted in the Basis of Preparation whether it considers that the information supplied is appropriate for the benchmarking activities of the Australian Energy Regulator. Management is also responsible for such internal controls as management determines are necessary to enable the preparation of the Estimated Financial Information and Non-Financial Information that are free from material misstatement, whether due to fraud or error.

### Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the Estimated Financial Information and Non-Financial Information based on our review.

We have conducted our review of the Estimated Financial Information in accordance with the Australian 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 Estimated Financial Information is not prepared, in all material respects, in accordance with the Basis of Preparation and the requirements of the Notice.

We have conducted our review of the Non-Financial Information in accordance with the Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* 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 Non-Financial Information is not prepared, in all material respects, in accordance with the Basis of Preparation and the requirements of the Notice.

ASRE 2405 and ASAE 3000 require us to comply with the requirements of the applicable code of

professional conduct of a professional accounting body.

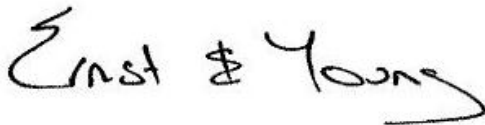
A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not 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.

### Basis for Qualified Conclusion

The Non-financial Information includes data on Subtransmission substations, subtransmission switching stations, and zone substations (table 2.4.3), Distribution Substations (table 2.4.4), and Network segments (table 2.4.5). Management has advised that Essential Energy does not maintain the historic information required to provide the data accurately, and has provided estimates based on a test environment that does not form part of Essential Energy's usual data collection procedures. We have been unable to perform sufficient procedures to ascertain whether these estimates are prepared in accordance with the requirements of the Notice or Essential Energy's Basis of Preparation.

### Conclusion

Except for the adjustments to the Non-Financial Information that we might have become aware of had it not been for the situation described in the preceding paragraph, based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Estimated Financial Information and Non-Financial Information is not prepared, in all material respects, in accordance with the requirements of the Notice or Essential Energy's Basis of Preparation.



Ernst & Young

Sydney  
30 May 2014