



Independent Auditor's Review Report

To the Directors of Jemena Electricity Networks (VIC) Ltd

Report on the review of Non-Financial Information in the Reporting Templates

Conclusion

We have reviewed the Estimated and Actual Historical Non-Financial Information in the attached Reporting Templates of Jemena Electricity Networks (VIC) Ltd ("the Licensee").

Based on the evidence we obtained from the review procedures we performed, nothing has come to our attention that causes us to believe that the Actual and Estimated Historical Non-Financial Information presented in the Reporting Templates ("Templates") of Jemena Electricity Networks (VIC) Ltd as at and for the regulatory years ended 31 December 2009 to 2018, has not been prepared, in all material respects, in accordance with the Regulatory Information Notice issued under Division 4 of Part 3 of the National Electricity (Victoria) Law by the Australian Energy Regulator ("AER") on 4 October 2019 ("the Notice") and the Basis of Preparation as prescribed by the Notice.

Emphasis of matter – basis of preparation and restriction on use and distribution

The Templates have been prepared based on the Basis of Preparation as prescribed by the Notice. Without qualifying our conclusion, we draw attention to the Overview section of the Basis of Preparation which describes the methodologies, assumptions and judgements made by Management in interpreting the definition and presentation requirements for Actual and Estimated Information in the Notice, in order to meet the requirements of the Notice.

This Auditor's Review Report and the Templates have been prepared to assist the Directors of the Licensee for the purpose of fulfilling their regulatory reporting obligations in accordance with the requirements of the Notice. As a result, the Templates and this Auditor's Review Report may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Our report is intended solely for the Directors of the Licensee and the AER and should not be used by or distributed to parties other than the Directors of the Licensee and the AER. We disclaim any assumption of responsibility for any reliance on this report, or on the Templates to which it relates, to any person other than the Directors of the Licensee and the AER, or for any other purpose than that for which it was prepared.

Responsibilities of the Directors and Management for the Templates

Management are responsible for:

- the preparation of the Templates in accordance with the requirements of the Notice and the Basis of Preparation; and
- such internal control as Management determine is necessary to enable the preparation of the Templates that are free from material misstatement, whether due to fraud or error; and



- the Statutory Declaration over the Actual and Estimated Non-Financial Information included in the Templates in order to comply with the requirements of the Notice.

The Directors of the Licensee are responsible for:

- overseeing the Licensee's regulatory reporting process; and
- determining that the Basis of Preparation is appropriate to meet the needs of the AER in order to fulfil the Licensee's reporting obligations.

Auditor's responsibilities for the review of the Templates

Our responsibility is to perform a limited assurance engagement in relation to the Templates for the regulatory years 2009-2018, and to issue an assurance report that includes our conclusion. We conducted our work in accordance with the Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* ("the Standard") on the Non-Financial Information. In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Templates, whether due to fraud or error. Misstatements, including omissions, are considered material if, individually or in aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of the Templates;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- making enquiries with the persons responsible for regulatory reporting matters to understand the internal controls, governance structure and reporting process of the Templates;
- reviews of relevant documentation;
- applying analytical procedures over the Templates;
- walkthroughs of information in the Templates to the Licensee's source documentation;
- evaluating the appropriateness of the Basis of Preparation with respect to the Templates; and
- reviewing the Templates in their entirety to ensure they are consistent with our overall knowledge of our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of the Licensee.



Independence and quality control

We have complied with our independence and other relevant ethical requirements of *the Code of Ethics for Professional Accountants* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud or error may occur and not be detected.

A limited assurance engagement as at specified date does not provide assurance on whether compliance with the Notice will continue in the future.

KPMG

Vicky Carlson
Partner
Melbourne
28 January 2020