



The Directors
Multinet Gas Distribution Partnership
43/45 Centreway
Mount Waverley VIC 3149

6 October 2020

Independent assurance report on the limited assurance procedures performed over actual gas volumes reported for the period 1 January 2019 to 31 December 2019 on the 2021 proposed distribution tariffs schedule for Multinet Gas Distribution Partnership

Scope

In accordance with the terms of engagement letter dated 24 September 2020, we were engaged by Multinet Gas Distribution Partnership (“MGDP”) to perform an independent limited assurance engagement in respect of the actual gas volumes reported (the “Subject Matter”) for MGDP for the period 1 January 2019 to 31 December 2019 (the “Period”) on the attached 2021 proposed distribution tariffs schedule. The criteria (the “Criteria”) against which we assessed the Subject Matter is set out in Section 4.3 of Part B of the Multinet Gas - Access Arrangement 2018 – 2022 (the “Access Arrangement”).

Director’s responsibilities

MGDP is responsible for the preparation of the proposed distribution tariffs schedule for the period 1 January 2019 to 31 December 2019 in accordance with the Criteria.

Our Independence and Quality control

We have complied with relevant ethical requirements related to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements* the firm maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Our responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained over the reported actual gas volumes included on the 2021 proposed distribution tariffs schedule as measured by the Access Arrangement.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE 3000) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. That standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the 2021 proposed distribution tariffs schedule has not been prepared, in all material respects, in accordance with the Criteria, for the Period. The procedures we performed were based on our professional judgement and included:

- Obtaining a detailed understanding of the processes undertaken by MGDGP to gather gas volumes data through their engagement of Skilltech (a third party engaged to perform meter reads);
- Agreeing gas volumes for the period reported on the 2021 proposed distribution tariffs schedule to information extracted from MGDGP's accounting system;
- Comparing reported gas volumes for the year ended 31 December 2019 to reported gas volumes for the year ended 31 December 2018 and obtaining explanations for material variances; and
- Testing of mathematical accuracy of the 2021 proposed distribution tariffs schedule.

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 and 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. Accordingly, we do not express a reasonable assurance opinion.

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

Use of report

This report was prepared for the directors of MGDGP in accordance with their requirements to lodge a proposed distribution tariffs schedule with the Australian Energy Regulatory ("AER"). We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Directors of MGDGP, or for any purpose other than that for which it was prepared.

Inherent limitations

Because of the inherent limitations of any work planned and executed under ASAE 3000, it is possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the preparation of the proposed distribution tariffs schedule as measured against the Criteria, as it is limited primarily to making enquiries of management, and applying analytical procedures. The limited assurance conclusion expressed in this report has been formed on the above basis.



Conclusion

Based on our completion of limited assurance procedures, which is not an audit, nothing has come to our attention that causes us to believe that the reported actual gas volumes for the period 1 January 2019 to 31 December 2019 on the proposed distribution tariffs schedule have not been prepared in accordance with section 4.3 of Part B of the Multinet Gas - Access Arrangement 2018 - 2022.

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A handwritten signature in black ink, appearing to read 'Andrew Forman', written over a light blue horizontal line.

Andrew Forman
Partner

Adelaide
6 October 2020

Tariff Approval - MultiNet

Prop2021DistTar

PROPOSED 2021 DISTRIBUTION TARIFFS

Proposed tariff name	Existing name	Prop 2021 Tariff	Exist 2020 Tariff	Actual 2019 Volumes	Prop Tar Revenue	Exist Tar Revenue
Tariff V - Multinet Residential 1 January - 31 December	Tariff V - Multinet Residential 1 January - 31 December					
Fixed Charge	Fixed Charge	0.1830	0.1830	683,819	45,675,690	45,675,690
Peak 0 - 0.05	Peak 0 - 0.05	8.8806	8.7503	3,656,358	32,470,650	31,994,214
Peak 0.05 - 0.1	Peak 0.05 - 0.1	5.8383	5.8383	3,045,064	17,777,997	17,777,997
Peak 0.1 - 0.15	Peak 0.1 - 0.15	3.0185	3.0185	2,645,466	7,985,339	7,985,339
Peak 0.15 - 0.25	Peak 0.15 - 0.25	1.5276	1.5276	4,271,306	6,524,847	6,524,847
Peak >0.25	Peak >0.25	1.1329	1.1329	7,916,491	8,968,592	8,968,592
May Shoulder 0 - 0.05	May Shoulder 0 - 0.05	8.4760	8.3515	910,260	7,715,362	7,602,080
May Shoulder 0.05 - 0.1	May Shoulder 0.05 - 0.1	5.5464	5.5464	709,599	3,935,720	3,935,720
May Shoulder 0.1 - 0.15	May Shoulder 0.1 - 0.15	2.8686	2.8686	564,811	1,620,217	1,620,217
May Shoulder 0.15 - 0.25	May Shoulder 0.15 - 0.25	1.4513	1.4513	787,777	1,143,301	1,143,301
May Shoulder >0.25	May Shoulder >0.25	1.0913	1.0913	1,101,433	1,201,993	1,201,993
Oct Shoulder 0 - 0.05	Oct Shoulder 0 - 0.05	8.4760	8.3515	898,952	7,619,514	7,507,640
Oct Shoulder 0.05 - 0.1	Oct Shoulder 0.05 - 0.1	5.5464	5.5464	656,008	3,638,484	3,638,484
Oct Shoulder 0.1 - 0.15	Oct Shoulder 0.1 - 0.15	2.8686	2.8686	466,705	1,338,790	1,338,790
Oct Shoulder 0.15 - 0.25	Oct Shoulder 0.15 - 0.25	1.4513	1.4513	536,719	778,940	778,940
Oct Shoulder >0.25	Oct Shoulder >0.25	1.0913	1.0913	547,492	597,478	597,478
Off Peak 0 - 0.05	Off Peak 0 - 0.05	7.5839	7.4725	4,531,241	34,364,479	33,859,866
Off Peak 0.05 - 0.1	Off Peak 0.05 - 0.1	4.9627	4.9627	1,955,395	9,704,038	9,704,038
Off Peak 0.1 - 0.15	Off Peak 0.1 - 0.15	2.5666	2.5666	938,387	2,408,464	2,408,464
Off Peak 0.15 - 0.25	Off Peak 0.15 - 0.25	1.2985	1.2985	845,215	1,097,512	1,097,512
Off Peak >0.25	Off Peak >0.25	0.9766	0.9766	1,162,552	1,135,348	1,135,348
Tariff V - Multinet Non-Residential 1 January - 31 December	Tariff V - Multinet Non-Residential 1 January - 31 December					
Fixed Charge	Fixed Charge	0.3018	0.3018	15,954	1,757,445	1,757,445
Peak 0 - 0.25	Peak 0 - 0.25	4.0556	3.9961	311,065	1,261,557	1,243,053
Peak 0.25 - 1	Peak 0.25 - 1	2.3486	2.3486	511,138	1,200,458	1,200,458
Peak 1 - 1.5	Peak 1 - 1.5	1.4092	1.4092	201,892	284,506	284,506
Peak 1.5 - 5	Peak 1.5 - 5	0.7842	0.7842	692,403	542,982	542,982
Peak >5	Peak >5	0.2617	0.2617	899,359	235,362	235,362
May Shoulder 0 - 0.25	May Shoulder 0 - 0.25	3.7220	3.6674	74,303	276,554	272,494
May Shoulder 0.25 - 1	May Shoulder 0.25 - 1	2.1139	2.1139	115,553	244,267	244,267
May Shoulder 1 - 1.5	May Shoulder 1 - 1.5	1.3387	1.3387	44,583	59,684	59,684
May Shoulder 1.5 - 5	May Shoulder 1.5 - 5	0.7641	0.7641	145,396	111,097	111,097
May Shoulder >5	May Shoulder >5	0.2353	0.2353	149,477	35,172	35,172
Oct Shoulder 0 - 0.25	Oct Shoulder 0 - 0.25	3.7220	3.6674	72,262	268,959	265,011
Oct Shoulder 0.25 - 1	Oct Shoulder 0.25 - 1	2.1139	2.1139	111,702	236,127	236,127
Oct Shoulder 1 - 1.5	Oct Shoulder 1 - 1.5	1.3387	1.3387	44,154	59,109	59,109
Oct Shoulder 1.5 - 5	Oct Shoulder 1.5 - 5	0.7641	0.7641	145,933	111,508	111,508
Oct Shoulder >5	Oct Shoulder >5	0.2353	0.2353	157,757	37,120	37,120
Off Peak 0 - 0.25	Off Peak 0 - 0.25	3.3756	3.3260	355,008	1,198,366	1,180,774
Off Peak 0.25 - 1	Off Peak 0.25 - 1	2.0411	2.0411	533,680	1,089,295	1,089,295
Off Peak 1 - 1.5	Off Peak 1 - 1.5	1.2218	1.2218	200,342	244,778	244,778
Off Peak 1.5 - 5	Off Peak 1.5 - 5	0.7404	0.7404	591,353	437,838	437,838
Off Peak >5	Off Peak >5	0.2091	0.2091	514,465	107,575	107,575
Tariff V - Yarra Valley Residential 1 January - 31 December	Tariff V - Yarra Valley Residential 1 January - 31 December					
Fixed Charge	Fixed Charge	0.1830	0.1830	5,537	369,844	369,844
Peak 0 - 0.05	Peak 0 - 0.05	10.5832	10.4278	29,459	311,772	307,195
Peak 0.05 - 0.1	Peak 0.05 - 0.1	7.8394	7.8394	24,506	192,109	192,109
Peak 0.1 - 0.15	Peak 0.1 - 0.15	5.6037	5.6037	21,469	120,305	120,305
Peak 0.15 - 0.25	Peak 0.15 - 0.25	4.4204	4.4204	34,255	151,421	151,421
Peak >0.25	Peak >0.25	4.1198	4.1198	54,673	225,243	225,243
May Shoulder 0 - 0.05	May Shoulder 0 - 0.05	10.2293	10.0791	7,278	74,445	73,352
May Shoulder 0.05 - 0.1	May Shoulder 0.05 - 0.1	7.6078	7.6078	5,671	43,144	43,144
May Shoulder 0.1 - 0.15	May Shoulder 0.1 - 0.15	5.4839	5.4839	4,625	25,361	25,361
May Shoulder 0.15 - 0.25	May Shoulder 0.15 - 0.25	4.3597	4.3597	6,966	30,368	30,368
May Shoulder >0.25	May Shoulder >0.25	4.0742	4.0742	10,135	41,292	41,292
Oct Shoulder 0 - 0.05	Oct Shoulder 0 - 0.05	10.2293	10.0791	7,303	74,702	73,605
Oct Shoulder 0.05 - 0.1	Oct Shoulder 0.05 - 0.1	7.6078	7.6078	5,512	41,932	41,932
Oct Shoulder 0.1 - 0.15	Oct Shoulder 0.1 - 0.15	5.4839	5.4839	4,069	22,314	22,314
Oct Shoulder 0.15 - 0.25	Oct Shoulder 0.15 - 0.25	4.3597	4.3597	4,308	18,781	18,781
Oct Shoulder >0.25	Oct Shoulder >0.25	4.0742	4.0742	3,898	15,881	15,881
Off Peak 0 - 0.05	Off Peak 0 - 0.05	9.5216	9.3819	32,880	313,069	308,474
Off Peak 0.05 - 0.1	Off Peak 0.05 - 0.1	7.1447	7.1447	13,748	98,226	98,226
Off Peak 0.1 - 0.15	Off Peak 0.1 - 0.15	5.2443	5.2443	6,315	33,119	33,119
Off Peak 0.15 - 0.25	Off Peak 0.15 - 0.25	4.2385	4.2385	4,641	19,670	19,670
Off Peak >0.25	Off Peak >0.25	4.0200	3.9831	7,381	29,671	29,399
Tariff V - Yarra Valley Non-Residential 1 January - 31 December	Tariff V - Yarra Valley Non-Residential 1 January - 31 December					
Fixed Charge	Fixed Charge	0.3004	0.3004	70	7,675	7,675
Peak 0 - 0.25	Peak 0 - 0.25	6.8072	6.7073	1,607	10,936	10,776
Peak 0.25 - 1	Peak 0.25 - 1	5.1199	5.1199	2,261	11,574	11,574
Peak 1 - 1.5	Peak 1 - 1.5	4.3555	4.3555	536	2,336	2,336
Peak 1.5 - 5	Peak 1.5 - 5	3.8468	3.8468	1,929	7,419	7,419
Peak >5	Peak >5	3.4214	3.4214	4,249	14,539	14,539
May Shoulder 0 - 0.25	May Shoulder 0 - 0.25	6.5355	6.4395	387	2,527	2,490
May Shoulder 0.25 - 1	May Shoulder 0.25 - 1	4.9288	4.9288	556	2,742	2,742
May Shoulder 1 - 1.5	May Shoulder 1 - 1.5	4.2980	4.2980	116	499	499
May Shoulder 1.5 - 5	May Shoulder 1.5 - 5	3.8304	3.8304	472	1,809	1,809
May Shoulder >5	May Shoulder >5	3.4001	3.4001	810	2,754	2,754
Oct Shoulder 0 - 0.25	Oct Shoulder 0 - 0.25	6.5355	6.4395	380	2,486	2,450
Oct Shoulder 0.25 - 1	Oct Shoulder 0.25 - 1	4.9288	4.9288	478	2,354	2,354
Oct Shoulder 1 - 1.5	Oct Shoulder 1 - 1.5	4.2980	4.2980	100	428	428
Oct Shoulder 1.5 - 5	Oct Shoulder 1.5 - 5	3.8304	3.8304	342	1,311	1,311
Oct Shoulder >5	Oct Shoulder >5	3.4001	3.4001	646	2,195	2,195
Off Peak 0 - 0.25	Off Peak 0 - 0.25	6.2533	6.1615	1,859	11,626	11,455
Off Peak 0.25 - 1	Off Peak 0.25 - 1	4.8698	4.8698	2,180	10,618	10,618
Off Peak 1 - 1.5	Off Peak 1 - 1.5	4.2028	4.2028	399	1,678	1,678
Off Peak 1.5 - 5	Off Peak 1.5 - 5	3.8112	3.8112	1,795	6,840	6,840
Off Peak >5	Off Peak >5	3.3787	3.3787	2,615	8,835	8,835
Tariff V - South Gippsland Residential 1 January - 31 December	Tariff V - South Gippsland Residential 1 January - 31 December					
Fixed Charge	Fixed Charge	0.1830	0.1830	5,708	381,266	381,266
Peak 0 - 0.05	Peak 0 - 0.05	11.5179	11.3488	26,360	303,613	299,157
Peak 0.05 - 0.1	Peak 0.05 - 0.1	8.5804	8.5804	19,424	166,664	166,664
Peak 0.1 - 0.15	Peak 0.1 - 0.15	6.2062	6.2062	15,284	94,856	94,856
Peak 0.15 - 0.25	Peak 0.15 - 0.25	4.9497	4.9497	20,406	101,002	101,002
Peak >0.25	Peak >0.25	4.6306	4.6306	19,712	91,277	91,277
May Shoulder 0 - 0.05	May Shoulder 0 - 0.05	11.1419	10.9784	6,354	70,794	69,755
May Shoulder 0.05 - 0.1	May Shoulder 0.05 - 0.1	8.3346	8.3346	4,037	33,644	33,644
May Shoulder 0.1 - 0.15	May Shoulder 0.1 - 0.15	6.0790	6.0790	2,521	15,325	15,325

May Shoulder 0.15 - 0.25	May Shoulder 0.15 - 0.25	4.8853	4.8853	2,164	10,574	10,574
May Shoulder >0.25	May Shoulder >0.25	4.5820	4.5820	1,795	8,224	8,224
Oct Shoulder 0 - 0.05	Oct Shoulder 0 - 0.05	11.1419	10.9784	6,265	69,803	68,779
Oct Shoulder 0.05 - 0.1	Oct Shoulder 0.05 - 0.1	8.3346	8.3346	3,604	30,035	30,035
Oct Shoulder 0.1 - 0.15	Oct Shoulder 0.1 - 0.15	6.0790	6.0790	2,054	12,488	12,488
Oct Shoulder 0.15 - 0.25	Oct Shoulder 0.15 - 0.25	4.8853	4.8853	1,708	8,343	8,343
Oct Shoulder >0.25	Oct Shoulder >0.25	4.5820	4.5820	1,162	5,322	5,322
Off Peak 0 - 0.05	Off Peak 0 - 0.05	10.3907	10.2381	25,323	263,124	259,260
Off Peak 0.05 - 0.1	Off Peak 0.05 - 0.1	7.8428	7.8428	8,410	65,956	65,956
Off Peak 0.1 - 0.15	Off Peak 0.1 - 0.15	5.8247	5.8247	3,907	22,756	22,756
Off Peak 0.15 - 0.25	Off Peak 0.15 - 0.25	4.7565	4.7565	2,848	13,545	13,545
Off Peak >0.25	Off Peak >0.25	4.4852	4.4852	5,002	22,436	22,436
Tariff V - South Gippsland Non-Residential 1 January - 31 December	Tariff V - South Gippsland Non-Residential 1 January - 31 December					
Fixed Charge	Fixed Charge	0.3018	0.3018	115	12,668	12,668
Peak 0 - 0.25	Peak 0 - 0.25	7.5080	7.3978	2,541	19,076	18,796
Peak 0.25 - 1	Peak 0.25 - 1	5.6927	5.6927	4,865	27,693	27,693
Peak 1 - 1.5	Peak 1 - 1.5	4.8807	4.8807	2,304	11,246	11,246
Peak 1.5 - 5	Peak 1.5 - 5	4.3408	4.3408	9,136	39,657	39,657
Peak >5	Peak >5	3.8890	3.8890	15,700	61,055	61,055
May Shoulder 0 - 0.25	May Shoulder 0 - 0.25	7.2196	7.1136	596	4,305	4,242
May Shoulder 0.25 - 1	May Shoulder 0.25 - 1	5.4896	5.4896	1,095	6,010	6,010
May Shoulder 1 - 1.5	May Shoulder 1 - 1.5	4.8199	4.8199	500	2,408	2,408
May Shoulder 1.5 - 5	May Shoulder 1.5 - 5	4.3232	4.3232	2,061	8,912	8,912
May Shoulder >5	May Shoulder >5	3.8662	3.8662	2,694	10,414	10,414
Oct Shoulder 0 - 0.25	Oct Shoulder 0 - 0.25	7.2196	7.1136	604	4,359	4,295
Oct Shoulder 0.25 - 1	Oct Shoulder 0.25 - 1	5.4896	5.4896	1,136	6,235	6,235
Oct Shoulder 1 - 1.5	Oct Shoulder 1 - 1.5	4.8199	4.8199	504	2,427	2,427
Oct Shoulder 1.5 - 5	Oct Shoulder 1.5 - 5	4.3232	4.3232	2,114	9,138	9,138
Oct Shoulder >5	Oct Shoulder >5	3.8662	3.8662	2,944	11,380	11,380
Off Peak 0 - 0.25	Off Peak 0 - 0.25	6.9201	6.8185	3,117	21,570	21,254
Off Peak 0.25 - 1	Off Peak 0.25 - 1	5.4269	5.4269	5,918	32,118	32,118
Off Peak 1 - 1.5	Off Peak 1 - 1.5	4.7186	4.7186	2,657	12,535	12,535
Off Peak 1.5 - 5	Off Peak 1.5 - 5	4.3028	4.3028	9,239	39,755	39,755
Off Peak >5	Off Peak >5	3.8436	3.8436	9,448	36,312	36,312
Tariff D - Multinet 0 - 50 > 50	Tariff D - Multinet 0 - 50 > 50	598.9217 101.9014	595.3247 101.2894	3,045 534	1,823,591 54,448	1,812,639 54,121
Tariff L - Multinet Non-Residential 1 January - 31 December	Tariff L - Multinet Non-Residential 1 January - 31 December					
Fixed Charge	Fixed Charge	-	-	12	-	-
Peak < 5	Peak < 5	0.6416	0.6377	6,201	3,978	3,954
Peak > 5	Peak > 5	0.1376	0.1368	26,827	3,691	3,670
May Shoulder < 5	May Shoulder < 5	0.5688	0.5654	1,550	882	876
May Shoulder > 5	May Shoulder > 5	0.1292	0.1284	5,594	723	718
Oct Shoulder < 5	Oct Shoulder < 5	0.5688	0.5654	1,551	882	877
Oct Shoulder > 5	Oct Shoulder > 5	0.1292	0.1284	4,599	594	590
Off Peak < 5	Off Peak < 5	0.4510	0.4483	8,820	3,978	3,954
Off Peak > 5	Off Peak > 5	0.1026	0.1020	18,454	1,893	1,882
Tariff L - Multinet Rolling 12 month max [\$/GJ (MHQ/d)] Peak Demand [\$/GJ (MHQ/d)]	Tariff L - Multinet Rolling 12 month max [\$/GJ (MHQ/d)] Peak Demand [\$/GJ (MHQ/d)]	0.5965 1.7846	0.5929 1.7739	38 35	8,313 7,668	8,262 7,622
Tariff D - Multinet South Gippsland 0 - 50 > 50	Tariff D - Multinet South Gippsland 0 - 50 > 50	647.0819 110.0889	643.1957 109.4277	100 67	64,708 7,413	64,320 7,369