Cost Allocation Method

1 January 2016

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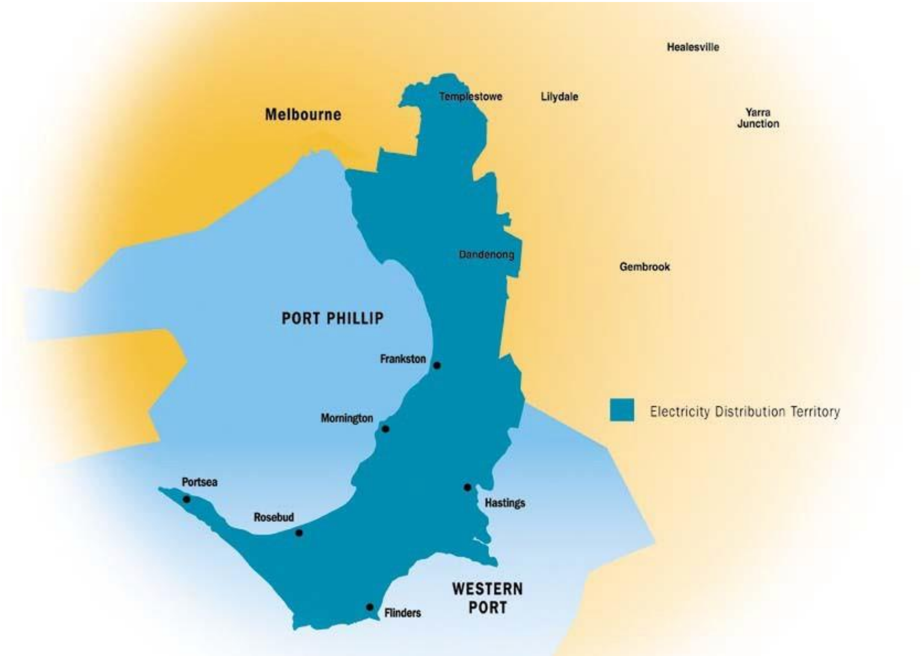
1 Introduction

United Energy Distribution (UE) is one of five electricity distribution network service providers operating under licence within the State of Victoria, with assets totaling approximately $3.0 billion. UE's network provides services to some 660,000 end-use customers in Melbourne's southern and eastern suburbs, with its area of operation confined to geographically defined boundaries set out in the Distribution Licence. A map is provided below:



UE is ultimately owned 66 per cent by Diversified Utility and Energy Trust (DUET) and 34 per cent by SGSP (Australia) Assets Pty Ltd (SGSPAA). Refer to section 5 for more details.

2 Version history and date of issue

Under clause 11.17.5 of the National Electricity Rules (Rules), UE submitted to the Australian Energy Regulator (AER) for approval a Cost Allocation Method (CAM) as part of its regulatory proposal for the 2011 to 2015 regulatory control period. That CAM (version 1.0) was approved by the AER on 18 June 2010 and commenced with effect from 1 January 2011.

Clause 6.15.4 (f) of the Rules permits UE with the AER's approval, to amend its CAM from time to time.

UE has chosen to submit an amended CAM to the AER for approval prior to its submission of its regulatory proposal for the 2016 to 2020 regulatory control period. The CAM has been amended principally to reflect changes to UE's distribution services classification for the 2016 to 2020 regulatory control period.

This CAM is version 2.0.

The date of issue is the date of approval.

The date of commencement is 1 January 2016.

On approval, UE will post this CAM on UE's website

(www.unitedenergy.com.au)[1].

[1] See clause 6.15.4(h) of the Rules

3 Nature, scope and purpose of the document

This document sets out the CAM to be adopted by UE for the purposes of allocating costs to distribution services in accordance with the requirements of the Rules, and for reporting historic and forecast cost information to the AER, for periods beginning on or after 1 January 2016[2].

Compliance with the conditions for approval of an amended CAM

This CAM meets the conditions for approval by the AER of an amended CAM, of clause 4.2(c) of the Cost Allocation Guidelines for Victorian electricity distribution network service providers dated June 2008 (CAG).

The descriptions provided later in this Section 3 demonstrate that the content and structure of UE's CAM together have an overriding objective of effectively promoting the Cost Allocation Principles set out in clause 6.15.2 of the Rules.

Clause 2.2.2 of the CAG requires the CAM to attribute and allocate costs based on the substance of underlying transactions and events. Sections 6 and 8 of this document set out a number of anticipated changes to the distribution service and accounting classifications on which the current CAM (v1.0) is based. Accordingly, a revision to the CAM is necessary to ensure that the forms of both UE's cost allocations and the CAM, properly reflect the changed substance of certain underlying transactions in order to not present a risk of material misstatement of costs directly attributed or allocated to UE's distribution services.

The differences between this CAM v2.0 and its predecessor CAM v1.0, reflect changes in classifications that are anticipated to come into effect on or after 1 January 2016. Table 3-1 below and Sections 6, 7 and 8 transparently detail the impact of the amendments. The allocators of shared cost are unchanged in the amended CAM. Because the changed transactions and events and their corresponding influences on allocated cost are not applicable to earlier periods, the amended CAM does not jeopardise the comparability of resultant financial information with earlier information provided by UE to the AER. Also because the changes are principally ones of presentation and categorisation not quantification, the amendments to the CAM are not quantifiable.

Consistency with Cost Allocation Principles

As required by clause 6.15.4(b) of the Rules and clause 3.1(b) of the CAG, this CAM gives effect to and is consistent with the CAG.

This CAM meets the requirements for UE's cost allocation principles and polices, set out in chapter 2 of the CAG, as follows:

- Clause 2.2.1(a) – Section 7 of the CAM contains detailed principles and policies to attribute costs directly to, or allocate costs between, different categories of distribution services to enable the AER to replicate reported outcomes and for the DNSP to demonstrate it is meeting the requirements of the CAG;
- Clause 2.2.1(b)(1) – Section 8 of the CAM contains two tables, titled Capital Activities and Maintenance Activities, that describe the nature and characteristics of each directly attributed cost item and the distribution service to which they are attributed;
- Clause 2.2.1(b)(2) – Section 8 of the CAM also lists shared costs and details how they are allocated to distribution services. The nature of the allocator and the reasons for its selection is described, as are the bases of and sources of information for the

[2] See clauses 1.4(b) and 5.1(b) of the CAG

calculation of the percentage allocators that is expected to change during the regulatory control period;

- Clauses 2.2.1(b)(1)(2) - Section 10 of the CAM describes how and where UE maintains records to enable the bases of attribution to be independently audited or otherwise verified;
- Clause 2.2.2 – Sections 7 and 8 of the CAM describe how costs are attributed or allocated based on the substance of the underlying transaction or event;
- Clause 2.2.3 – Sections 7 and 8 of the CAM also describe how attributions and allocations are determined by reference to distribution services;
- Clause 2.2.4 - Sections 7 and 8 of the CAM describe how the allocators meet the CAG's criteria for non-causal allocators;
- Clause 2.2.5 – Section 7 and the tables in Section 8 of the CAM describe how all cost categories are *either* directly attributed *or* allocated;
- Clause 2.2.6 – the CAM is consistent with the objectives of Rule 6.17 and distribution ring fencing objectives including *Electricity Industry Guideline No. 17: Electricity Ring-fencing Issue 1*, developed by the Essential Services Commission;
- Clause 2.2.7 – costs will not be re-allocated during the course of a regulatory control period;
- Clause 2.2.8 – the CAM has regard to previous cost allocations in accordance with the ESC distribution pricing determination and allows effective comparison of historical and forecast cost allocation between the period to which the ESC distribution pricing determination is applied and later regulatory control periods. This CAM applies historically consistent principles and polices to evolving market and regulatory circumstances.

Consistency with Cost Allocation Principles

Having met the requirements of the CAG, it follows that the CAM is consistent with the Cost Allocation Principles required by clause 6.15.2 of the Rules. For completeness, however, UE describes how the CAM meets those principles as follows:

- Clause 6.15.2 (1) – this CAM contains sufficient detailed principles and policies to allocate costs between different categories of distribution services to enable the AER to replicate reported outcomes;
- Clause 6.15.2 (2) – costs have been allocated according to the substance of a transaction or event rather than its legal form;
- Clause 6.15.2 (3) – costs have either been directly attributed to the services or costs have been allocated using an appropriate allocator;
- Clause 6.15.2 (4) – cost allocations are clearly described in the CAM including reasons for using specific allocators;
- Clause 6.15.2 (5) – costs are not allocated more than once;
- Clause 6.15.2 (6) – the principles, policies and approach used to allocate costs are consistent with the Distribution Ring-Fencing Guidelines; and
- Clause 6.15.2 (7) – costs allocated to a particular service will not be re- allocated to another service during the course of a regulatory control period.

Table 3-1: Comparison of historic cost allocation methods in CAM v1.0 and this CAM v2.0

Distribution service	CAM v1.0 method	This CAM v2.0 method
Standard Control	Costs are directly allocated in accordance with the description provided in CAM v1.0. Shared costs are allocated based on weighted average revenue.	Costs are directly allocated in accordance with the description provided in this CAM. Shared costs are allocated based on weighted average revenue.
Alternative Control	Costs are directly allocated in accordance with the description provided in CAM v1.0. Shared costs are allocated based on weighted average revenue.	Costs are directly allocated in accordance with the description provided in this CAM. Shared costs are allocated based on weighted average revenue.
Negotiated	Costs are directly allocated in accordance with the description provided in CAM v1.0. Shared costs are allocated based on weighted average revenue.	Costs are directly allocated in accordance with the description provided in this CAM. Shared costs are allocated based on weighted average revenue.
AMI Order In Council	Costs are directly allocated in accordance with the description provided in CAM v1.0 and the Cost Recovery Order In Council (CROIC). All costs charged to the CROIC are directly attributed.	Not applicable. The recovery of the costs of Advanced Metering Infrastructure services under the CROIC will cease on 31 December 2015, when the CROIC expires.
Non regulated	Not applicable	Costs are directly allocated in accordance with the description provided in this CAM. Shared costs are allocated based on weighted average revenue.

Note: This CAM provides sufficient disclosure of the bases of allocation to allow the AER or an independent party, to make an effective comparison of historical and forecast cost allocations under CAM v1 approved by the AER and the later regulatory control periods subject to this CAM.

4 Accountabilities for the CAM

UE is committed to implementing this CAM.

UE's Board of Directors (Board) is responsible for ensuring the overall performance and governance of UE and its subsidiaries.

In order to assist the Board in effectively discharging its powers and duties, it has delegated responsibility for the day-to-day operation and management of UE to the Chief Executive Officer (CEO), and the senior management team. The Board retains the ultimate legal responsibility for the exercise of powers delegated to senior management. The CEO and senior management are required to report to the Board on the exercise of these powers on an ongoing basis.

Specific responsibilities delegated to the CEO, Chief Financial Officer (CFO), General Manager Commercial and Company Secretary, General Manager Electricity Network, General Manager Regulation, General Manager Service Delivery, General Manager Asset Management, General Manager Customer & Technology and other senior management, are summarised in Section 5 of this CAM.

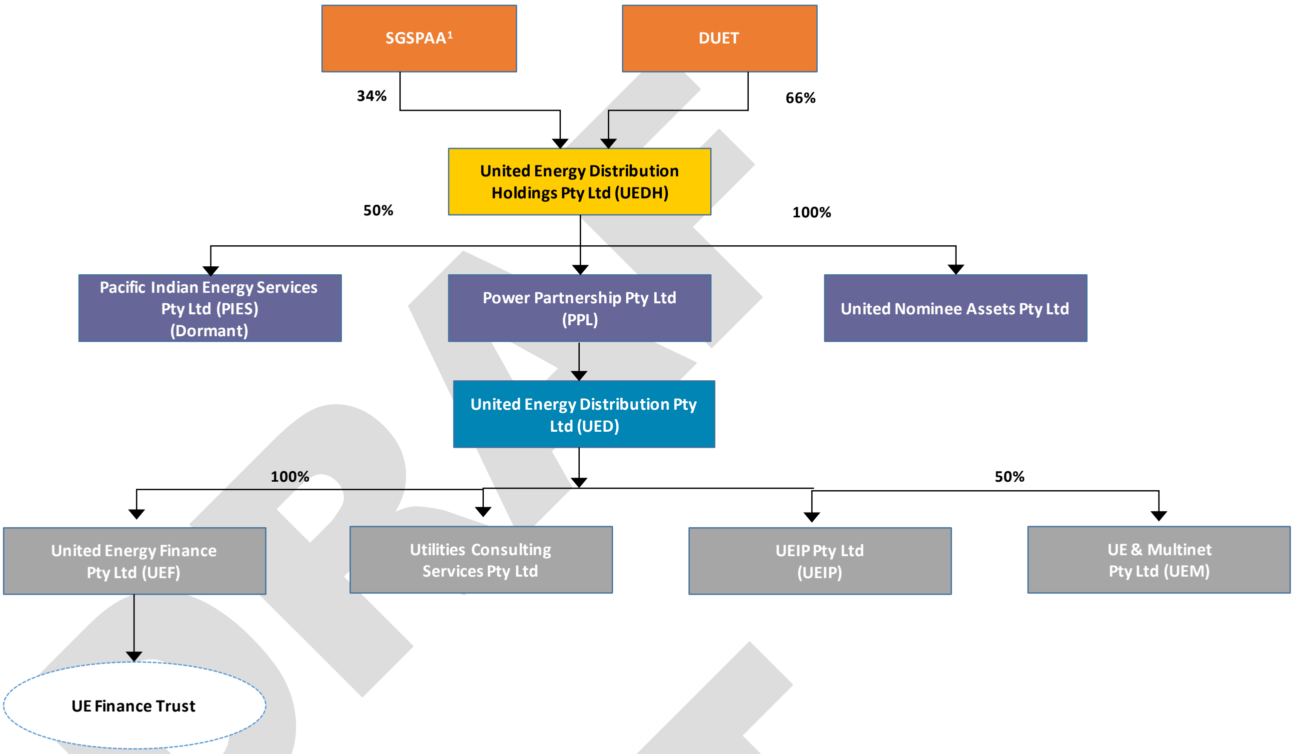
Responsibility for updating, maintaining and applying this CAM is with the CFO. The CFO is also responsible for internally monitoring and reporting on the application of this CAM.

In meeting these responsibilities, the CFO is accountable to the Board, as outlined above.

5 Description of UE's corporate and operational structures

Corporate structure

United Energy Distribution Holdings Pty Limited (UEDH) is 66 per cent owned by the DUET Group (DUET), with the remaining 34 per cent owned by SGSP (Australia) Assets Pty Ltd (SGSPAA).



1 SPIAA changed its name to SGSP (Australia) Assets Pty Limited (SGSPAA) on 3 January 2014

The UE Group has a strong shareholder base. DUET is a large Australian infrastructure specialist fund and SGSPAA is a joint venture between the Singapore-based Singapore Power Limited (SP) and the Chinese-backed State Grid Corporation of China (SG). Over the years, the shareholders have provided resourcing, technical and financial support to the business, as has been required.

DUET is listed on the Australian Securities Exchange (ASX) under the ticker code (DUE.ASX) with a market capitalisation of approximately $3.2billion as at 30 June 2014. DUET was listed on the ASX on 13 August 2004.

SGSPAA is 60 per cent owned by State Grid International Development Australia Investment Company Limited, a wholly owned subsidiary of State Grid Corporation of China (rated Aa3 (stable) by Moody's) via State Grid International Development Limited. The remaining 40 per cent is owned by Singapore Power International Pty Ltd, a wholly owned subsidiary of Singapore Power Limited (rated AA (stable) by Standard & Poors.

Organisational and operational structure

UE is a stand-alone distributor and does not retail electricity, nor provide construction or maintenance services to any other business.

UE is governed by a Chairman and a Board of Directors drawn from its major shareholders.

The roles and responsibilities of each member of UE's senior management team are described below:

- CEO – Company management, strategic planning, business structure, stakeholder relations, board management
- CFO – Statutory and management reporting, financial planning, annual budgets, taxation, treasury, accounts payable, accounts receivable, payroll, regulatory accounting, accounting policies
- General Manager Customer & Technology – Strategic IT management and planning, IT contractor management, desktop management, help desk, customer & market services
- General Manager Commercial (Company Secretary and Legal Counsel) – Company secretarial services, legal services, easements, contract management
- General Manager Electricity Network and General Manager Service Delivery - Distribution asset planning, control room operations, asset management, maintenance planning, engineering, capital construction, field maintenance activities, contractor management
- General Manager Regulation - Regulatory compliance, pricing submissions, regulatory policy, performance reporting

UE has service agreements with the following third parties -

- ZNX/Tenix - Operating and maintenance service agreements (OMSAs) for the construction, maintenance and operation of its distribution network. ZNX is fully owned by SPIAA.
- Skilltech – Manual scheduled meter reading, special meter reads, on-site de-energisation and re-energisations
- Aegis – Customer and market services
- Accenture – Major IT system applications support e.g. SAP
- CGI – IT infrastructure and Service Desk Support

UE also receives management services from DUET, a shareholder.

Related party transactions are disclosed in UE's audited statutory and regulatory financial statements in accordance with statutory and regulatory accounting disclosure requirements.

6 Categories of distribution services

Distribution services provided by UE are classified as either:

- a direct control service;
- a negotiated distribution service;
- an advanced metering infrastructure (AMI) service recoverable under Victoria's Cost Recovery Order in Council (CROIC); or
- a non-regulated service.

Direct control services are further divided into:

- standard control services; and
- alternative control services.

These categories of service are explained further below.

1. Direct control services - Standard control services

Services provided as standard control services are recovered via Distribution Use of System tariffs and make up the bulk of services provided by UE. These services are ultimately provided to all end-use customers connected to UE's electricity distribution network. Services include the maintenance and operation of UE's distribution system including vegetation management, fault restoration, asset inspection, planned maintenance, reactive maintenance, emergency management, and the 24 hour control room. Capital expenditure is incurred to provide standard control services including ensuring capacity requirements are met, replacement capital, asset refurbishment, new connections services and network growth.

UE proposes to classify elective under-grounding and rearrangement of network assets at a customer's request as standard control services, with effect from 1 January 2016. These services have been classified as alternative control services in the regulatory control period ending 31 December 2015.

2. Direct control services - Alternative control services

Alternative control services are recovered via specific prices to those customers that have requested the service. Alternative control services are not recovered via Distribution Use of System tariffs. These services include: the energisation and de-energisation of existing connections, temporary supplies, service truck visits routine connections, elective undergrounding (proposed to be treated as standard services from 1 January 2016 as per above paragraph) and low voltage covers.

Type 5 and type 6 metering services are excluded from the service classification framework of the National Electricity Rules until 31 December 2016 when the Victorian derogation from the Rules expires (or earlier if national arrangements for metering competition for small customers are developed and adopted in Victoria before that time).

UE proposes that all metering services that it provides in its capacity as the "default Metering Coordinator" for new customers in its distribution area who cannot obtain a competitive market offer, will be provided as alternative control services.

For the period 1 January to 2016 to the end of the Victorian derogation, and in accordance with the AER's preliminary positions on a replacement Framework and Approach for Victoria's distribution businesses for the regulatory control period commencing 1 January 2016 ("the AER's preliminary view"), UE proposes to classify type 5 and type 6 metering installation services as alternative control services. These services will be open to competition after the end of the derogation.

3. Negotiated services

Services provided as negotiated services are recovered via specific prices to those customers that have requested the service. Negotiated services are not recovered via Distribution Use of System tariffs. Negotiated services include relocation and alteration of public lighting assets and new public lighting. In response to the AER's preliminary view, UE proposes with effect from 1 January 2016, to reclassify the operation, maintenance and replacement of its existing public lighting assets as two separate negotiated services, namely:

- Operation, maintenance and repair; and
- the replacement of existing public lighting assets.

These services have been classified as alternative control services in the regulatory control period ending 31 December 2015.

4. AMI services – Cost Recovery Order in Council (CROIC)

Advanced Metering Infrastructure (type 5 and type 6 metering) services are recovered under a specific Victorian Order in Council (AMI CROIC). The activities for which costs are recovered pursuant to the AMI CROIC are set out in schedule 2 section 2.1 of that document. This arrangement expires on 31 December 2015.

5. Non regulated services - AMI services

With effect from the end of the Victorian derogation, the provision of type 5 and type 6 meters in UE's distribution area will be open to competition. UE proposes that the provision of these services for new sites will be unregulated.

UE currently does not anticipate providing any other non-regulated distribution services.

The AER's final classification of services

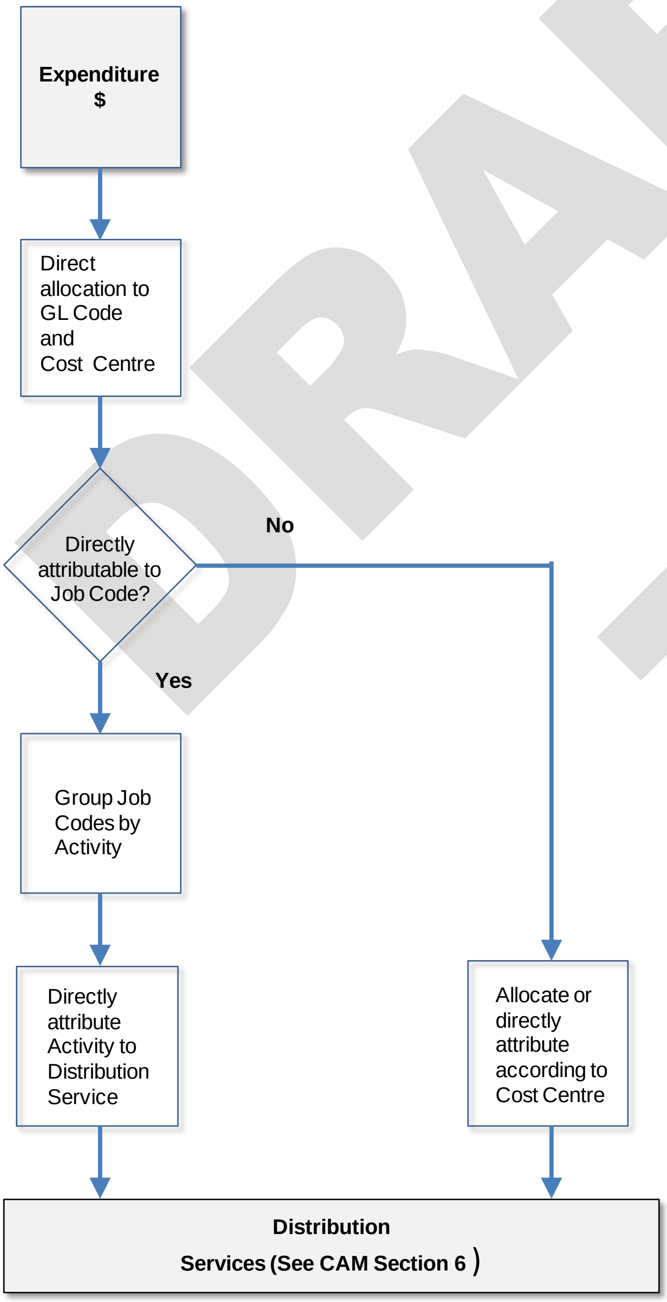
The changes in service classification described above are consistent with UE's response to the AER's preliminary views. UE will amend this section of the CAM in accordance with clause 4.2(a) of the CAG in order to apply the AER's final classification of services.

7 Detailed principles and policies for cost attribution

Overview

UE utilises SAP as its financial management and works management system. UE's SAP system is structured to comply with statutory reporting requirements and with this CAM. It is also able to provide a database of information for management reporting purposes.

The cost attribution process is summarised in the following diagram. This process is the same as that described in the AER approved CAM v1.0. The following explanations also refer to Section 8 which provides more detail of cost codes and bases of allocation



In summary:

- each cost incurred (capital and non-capital) is coded and directly attributed to both a general ledger account cost code that describes the nature of the cost input, and a cost centre code to allow management responsibility to be assigned to each cost;
- typically, a cost centre reflects a line of internal service or management responsibility such as finance, network management, control room or regulatory costs;
- some costs are also directly attributed to a job ledger code that allows the purpose of those costs to be identified for more detailed reporting of the costs of capital and operating and maintenance activities;
- job ledger codes are normally used to collect directly attributable costs. Therefore these costs are not normally relevant to shared costs. Typically, shared costs that are not assigned to a job code are for corporate services, or are in the nature of overheads. Those cost centre costs which are not attributed to job codes are attributed to distribution services based on the allocation rules provided in Section 8 under the heading “Allocations of shared costs”;
- each job ledger code is assigned (directly attributed) to an activity code. Activity codes summarise multiple job ledger codes. This allows UE to group the costs of individual jobs by like activities; and
- activity costs are either directly attributed or allocated to distribution services according to the rules in Table 8-1 and Table 8-2 in Section 8, titled “Capital activities” and “Maintenance activities.”

Consistent with clause 3.2.(a)(6) of the CAG, the process described above and the further information set out at Section 8, apply to all expenditure regardless of the party with whom the expenditure is incurred and therefore includes related party expenditure.

General ledger account codes

The broad grouping of general ledger account codes is as follows:

- Labour;
- Materials;
- External services;
- Contracts;
- Direct overheads;
- Transport & logistics; and
- Miscellaneous.

Attribution of Service Providers Costs

OMSA Service Providers (ZNX/Tenix)

OMSA labour

The OMSA labour cost, comprise actual costs of Service Providers (SPs) direct employees, at the actual employee’s on-costed labour hourly rate by the actual hours worked on UE jobs as per their completed timesheets. All OMSA labour is costed to individual UE job codes.

OMSA materials & Inventory Carrying Cost

Materials comprise strategic spares and materials supplied for capital construction and maintenance activities.

Materials supplied for capital construction and maintenance activities are directly attributed to job codes at cost plus a surcharge to recover the cost of managing the logistics function. This includes the costs of:

- purchasing;
- warehousing;
- premises; and
- delivery

OMSA Sub-contractors

Subcontractor costs are incurred at agreed on-costed hourly rates by actual hours worked on UE jobs, passed through to UE at the invoiced amount and costed to individual job codes.

OMSA other services

The costs of other services provided under the OMSAs are directly attributed to a job code.

Other Main Operational Service Providers

Skilltech

Skilltech services encompass manual scheduled meter reading, special meter reads, on-site de-energisation and re-energisation. Skilltech charges are based on agreed service rates by quantity delivered, which are directly costed to CROIC and ACS respective cost centres based on actual services.

Aegis

Aegis provides customer management services including call centre, faults management, billing, service desk, connections, meter data management, route management etc.

Aegis charges are based on contracted employee rates by number of units (hours) delivered, which are directly costed to SCS, CROIC, ACS respective cost centres based on percentage allocations based on volumes profile of services provided.

Other Third Party Costs

The costs of goods and services provided by other parties (such as audit, professional services, IT service providers) are directly attributed to a cost centre and if relevant, attributed to a job code based on the causal basis.

Principles additional to Cost Allocation Principles and the CAG

Consistent with the AER approved CAM v1.0 UE applies the following additional principles:

- an item is material if its omission, misstatement or non-disclosure has the potential to prejudice the understanding of the financial position of UE's distribution services, gained by an assessment of financial information relating to UE; and
- UE applies a fully distributed approach to cost allocation, that allocates or directly costs the total costs to distribution services, which reconcile to UE's total input costs. UE does not apply an avoided cost allocation methodology.

8 Directly attributed and allocated costs

The table below explains which distribution services the activity codes will be directly attributed to.

Each activity in Table 8-1 and Table 8-2 is wholly and exclusively associated with a single distribution service in any single period. Where AMI activities in Table 8-1 and Table 8-2 refer to more than one service, this is because the regulatory service classification is expected to change on 1 January 2017, as explained in Section 6.

Table 8-1: Directly Attributed Capital Activities

Activity	Service
Reinforcement	Standard control
New customer connection	Standard control
Reliability & quality maintained	Standard control
Environmental, safety & legal	Standard control
SCADA /Network control	Standard control
Non network general - IT	Standard control
Non network general - other	Standard control
Accumulation Meters (AMI)	Alternative control
Manually read interval meters	Alternative control or Non-regulated for non default Metering Coordinator activities (See Section 6)
Remotely read interval meters & transformers	Alternative control or Non-regulated for non default Metering Coordinator activities (See Section 6)
AMI communication	Alternative control or Non-regulated for non default Metering Coordinator activities (See Section 6)
Metering data services (IT)	Alternative control or

Activity	Service
	Non-regulated for non default Metering Coordinator activities (See Section 6)
Metering data services (other)	Alternative control or Non-regulated for non default Metering Coordinator activities (See Section 6)
Public lighting - energy efficient	Negotiated
Public lighting - non energy efficient	Negotiated
Other - fee based services	Alternative control
Other - quoted services	Alternative control
Elective undergrounding and rearrangement of network assets at customers' requests	Standard control

Table 8-2: Maintenance Activities

Activity	Service
Routine	Standard control
Condition based – Standard Control Services	Standard control
Condition based – Alternative Control Services	Alternative control
Emergency	Standard control
SCADA/Network Control	Standard control
Other – Standard Control Services	Standard control
AMI	Alternative control or Non-regulated for non default Metering Coordinator activities (See Section 6)
Public Lighting	Negotiated

Activity	Service
Alternative control – other	Alternative control
Negotiated Services	Negotiated

Allocations of shared costs

Certain cost centres record shared costs that are not job-costed. These cost centres which generally relate to corporate or support activities, are listed below.

- Regulation
- Legal
- Finance
- IT
- CEO
- Customer & Market Services
- Internal Audit
- Corporate Affairs
- HR
- Administration

These cost centre costs are allocated to individual services based on the weighted average service revenue.

It should be noted that to the extent that costs are directly allocated to distribution services, these costs are excluded from the above allocations. For example, expenditure for the delivery of AMI services – Cost Recovery Order in Council (CROIC) is accounted for by specific invoices and by directly attributed employees and the use of time allocations. This allows expenditure on these services to be directly attributed and hence is excluded from the above allocations.

This method of allocation:

- is consistent with that used in UE's CAM v1.0 that has been approved by the AER;
- is based on a basis of allocation which is well accepted and provides a strong correlation with the levels of resources and services that the shared costs represent and the likely relative utilisation of those resources and services by the different distribution services to which costs are allocated;
- applies to costs for which causal allocators cannot be established with undue cost and effort. This is because these costs are predominantly "fixed" costs for corporate services which are necessarily incurred to enable the delivery of services as a whole and are not caused by variations in levels of specific services;
- applies to costs which in total amounted to less than 14% of total operating and capital expenditure (excluding finance charges, depreciation and amortisation) in calendar year 2013; and
- resulted in the following percentage allocations of operating cost in the calendar year 2013.

Table 8-3: Calendar year 2013 shared cost allocations

Standard Control Services	Alternative Control Services	Negotiated Services	Non -Regulated Services	Total
96%	4%	0%	0%	100%

The numeric quantity or percentage of each allocator will change from time to time throughout the regulatory control period, because the quanta of the cost drivers on which the allocators are based, are expected to change in the normal course of events.

The information from which the percentage of each allocator will be calculated, will be sourced from UE's accounting records (see Section 10).

9 Compliance monitoring

The Chief Financial Officer is responsible for monitoring UE's compliance with the CAM and the CAG. UE has an Audit and Risk Committee that monitors compliance, including compliance with the CAM.

The Chief Finance Officer's accountabilities for these responsibilities are described in Section 5.

Independent auditors will provide the assurance that the AER may require in connection with this CAM in relation to its application to Regulatory Information Notices, regulatory financial statements and any Regulatory Proposal, for example.

The cost allocation methodologies described in this CAM will be provided to all related parties – specifically DUET, UEDH and ZNX. Major contractors will also be provided a copy of the approved CAM, noting that the prices paid by UE for individual services will be based on the contractor cost structures and allocations. Contractors and related parties will be required to comply with this CAM to the extent that the law requires them to comply.

Contractors and related parties will provide sufficient detail to enable UE to cost services directly to specific job ledgers in accordance with this CAM.

This CAM complies with the existing ESCV ring fencing guidelines. This CAM will be amended (if required) when the AER replaces the existing ring-fencing guidelines.

All queries regarding this CAM can be directed to:

Andrew Schille

General Manager Regulation – United Energy aschille@ue.com.au

(03) 8846 9860

10 Records Maintenance

In order to:

- demonstrate the attribution of costs to, or allocation of costs between, different categories of distribution services in accordance with this CAM to the AER under clause 5.2 of the CAG; and
- allow attributions or allocation to be audited or otherwise verified by a third party, including the AER, as required

UE will maintain records of attributions and allocations as follows:

- all financial records will be kept in UE's financial systems (SAP);
- UE's statutory financial statements and associated accounting records will form the basis of all reporting requirements;
- all records will be kept for at least seven years; and
- all records will be available to independent auditors and the AER.

Also, any changes to this CAM will be:

- supported by documentation and signed off by UE management prior to being submitted for AER approval; and
- subject to prior approval by the AER.

11 Date of effect

The date of effect for this CAM is 1 January 2016.