

Independent Auditor's Report to the Directors of United Energy Distribution Pty Ltd

We have audited the actual financial information within tables 2.4, 2.13, 7.4, and 7.5 in the data template entitled "United Energy Reset RIN template" (the "Actual Financial Information") attached, which has been prepared in accordance with United Energy Distribution Pty Ltd's Basis of Preparation (the "Basis of Preparation") in response to the Reset Regulatory Information Notice ("the Notice") issued by the Australian Energy Regulator ("AER") on 2 February 2015, for the regulatory periods ended from 31 December 2009 to 31 December 2014, where required ("the regulatory periods ended 31 December 2014"). In accordance with the requirements of the Notice, information presented in the Actual Financial Information before this date range has not been subject to audit.

In addition, we have audited the compliance of the Basis of Preparation as it relates to Actual Financial Information, with the requirements of the Notice and the Principles and Requirements in Appendix E of the Notice, for the regulatory periods ended 31 December 2014.

The Australian Energy Regulator requires the Actual Financial Information and the accompanying Basis of Preparation for the performance of a function conferred on it under Division 4 of Part 3 of the *National Electricity (Victoria) Law*, namely conducting various benchmarking exercises as outlined in the Regulatory Information Notice issued to United Energy Distribution Pty Ltd in February 2015.

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

Management is responsible for the preparation and fair presentation of the Actual Financial Information in accordance with the requirements of the Notice and United Energy Distribution Pty Ltd's Basis of Preparation, and for such internal controls as management determines are necessary to enable the preparation of the Actual Financial Information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Actual Financial Information based on our audit. We conducted our audit in accordance with Australian Auditing Standard ASA 805 *Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement* ("ASA 805"). ASA 805 requires that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Actual Financial Information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Actual Financial Information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Actual Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the Actual Financial 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 controls.

Our responsibility is also to express a conclusion on compliance, in all material respects, of the Basis of Preparation with the requirements of the Notice that relates to Actual Financial Information. Our audit has been conducted in accordance with Australian Standard on Assurance Engagements ASAE 3100 *Compliance Engagements*. Our procedures have been undertaken to form a conclusion as to whether the Basis of Preparation has complied in all material respects, with the Notice.

Independence

In conducting our procedures we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the Actual Financial Information provided for the regulatory periods ended 31 December 2014 is presented fairly, in all material respects, in accordance with the requirements of the Notice and United Energy Distribution Pty Ltd's Basis of Preparation. In addition, the Basis of Preparation as it relates to Actual Financial Information has complied, in all material respects, with the requirements of the Notice and the Principles and Requirements in Appendix E of the Notice.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to the Basis of Preparation, which describes the general approach to collecting and preparing information. The Actual Financial Information is prepared to assist United Energy Distribution Pty Ltd to meet the requirements of the Notice. As a result, the Actual Financial Information may not be suitable for another purpose. Our report is intended solely for United Energy Distribution Pty Ltd and the Australian Energy Regulator and should not be distributed to any other parties.

Ernst & Young

Ernst & Young
Melbourne
7 April 2015