

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

We have audited the attached Advanced Metering Infrastructure Order In Council 2008 costs of United Energy Distribution Pty Ltd ("UED") for the year ended 31 December 2010 specified in the spreadsheet entitled UED AMI Budget Template 2009-2015 ("the Cost Schedule").

The Responsibility of the directors for the Schedule

The company's directors are responsible for the preparation and fair presentation of the Cost Schedule and have determined that the accounting policies used are appropriate to meet the requirements of the Advanced Metering Infrastructure Order In Council 2008 dated 25 November 2008 and the needs of the members. This responsibility includes establishing and maintaining internal controls relevant to the preparation and presentation of the Cost Schedule that is free from material misstatement, whether due to fraud or error; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the Cost Schedule based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Cost Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Cost Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Cost Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and presentation of the schedule 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Cost Schedule.

The Cost Schedule has been prepared for distribution to the directors for the purpose of meeting the requirements of the Advanced Metering Infrastructure Order In Council 2008 dated 25 November 2008. We disclaim any assumption of responsibility for any reliance on this report or on the additional information to which it relates, to any person other than the directors, or for any purpose other than that for which it was prepared.

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

Independence

In conducting our audit we have met the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the Cost Schedule presents fairly, in all material respects, in accordance with paragraph 5H.2 of the Advanced Metering Infrastructure Order In Council 2008 dated 25 November 2008 guidelines, the expenditures incurred by UED on the Advanced Metering Infrastructure project for the year ended 31 December 2010.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

Melbourne
28 February 2011