



Ausgrid Group
Half Year Financial Report
For the half year ended 31 December 2020



Ausgrid Group Half Year Financial Report For the half year ended 31 December 2020

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	Notes	Half year ended 31 December 2020 \$M	Half year ended 31 December 2019 \$M
Revenue	3	1,206	1,156
Distribution of energy costs	4(a)	(213)	(201)
Depreciation and amortisation expense	4(c)	(335)	(313)
Finance costs	4(d)	(219)	(233)
Employee benefits expenses	4(b)	(178)	(160)
Other expenses	4(b)	(124)	(136)
Profit/(loss) on disposal of property, plant and equipment		8	(5)
Profit before income tax		145	108
Income tax expense		-	-
Profit for the period		145	108
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Changes in the fair value of cash flow hedges		28	30
Income tax relating to these items		(8)	(9)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Defined benefit superannuation actuarial gains		2	1
Income tax relating to these items		(1)	-
Other comprehensive income for the period		21	22
Total comprehensive income for the period		166	130
Profit/(loss) for the period attributable to Partners:			
Ausgrid Operator Partnership (AOP)		64	130
Ausgrid Asset Partnership (AAP)		79	(18)
PLUS ES Partnership (PLUS ES)		2	(4)
Profit for the period		145	108
Total comprehensive income/(loss) for the period attributable to Partners:			
AOP		65	131
AAP		99	3
PLUS ES		2	(4)
Total comprehensive income for the period		166	130

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Ausgrid Group
Consolidated statement of financial position
As at 31 December 2020

		31 December 2020 \$M	30 June 2020 \$M
	Notes		
Current assets			
Cash and cash equivalents		293	403
Trade and other receivables		81	97
Contract assets		278	262
Inventories		25	31
Assets classified as held for sale		4	4
Total current assets		681	797
Non-current asset			
Property, plant and equipment	5	16,989	16,925
Intangible assets	6	3,613	3,641
Derivative financial assets	7	516	1,146
Deferred tax assets		296	305
Total non-current assets		21,414	22,017
Total assets		22,095	22,814
Current liabilities			
Trade and other payables		242	266
Contract liabilities		7	6
Derivative financial liabilities	7	9	-
Borrowings	8	530	3
Provisions	9	297	280
Deferred government grants		2	2
Other liabilities		8	5
Total current liabilities		1,095	562
Non-current liabilities			
Contract liabilities		45	36
Derivative financial liabilities	7	907	991
Borrowings	8	12,400	13,760
Provisions	9	136	119
Deferred government grants		39	39
Total non-current liabilities		13,527	14,945
Total liabilities		14,622	15,507
Net assets		7,473	7,307

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Ausgrid Group
Consolidated statement of financial position
As at 31 December 2020
(continued)

		31 December 2020 \$M	30 June 2020 \$M
	Notes		
Equity attributable to Partners of AOP			
Contributed equity	10	1,716	1,716
Reserves		8	7
Retained earnings	11	(198)	(262)
Total equity attributable to Partners of AOP		1,526	1,461
 Equity attributable to Partners of AAP			
Contributed equity	10	7,021	7,021
Reserves		(698)	(718)
Retained earnings	11	(533)	(612)
Total equity attributable to Partners of AAP		5,790	5,691
 Equity attributable to Partners of PLUS ES			
Contributed equity	10	183	183
Retained earnings	11	(26)	(28)
Total equity attributable to Partners of PLUS ES		157	155
 Total equity attributable to Partners of the Ausgrid Group		7,473	7,307

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Ausgrid Group
Consolidated statement of changes in equity
For the half year ended 31 December 2020

	Contributed equity \$M	Cash flow hedge reserve \$M	Defined benefit superannuation surplus \$M	Retained earnings \$M	Total \$M
Balance at 1 July 2020	8,920	(718)	7	(902)	7,307
Profit for the period	-	-	-	145	145
Other comprehensive income					
Changes in fair value of cash flow hedges - AAP	-	20	-	-	20
Defined benefit superannuation actuarial gains - AOP	-	-	1	-	1
Total other comprehensive income	-	20	1	-	21
Total comprehensive income for the period	-	20	1	145	166
Transactions recorded directly in equity:					
Contributed equity	-	-	-	-	-
Distributions paid	-	-	-	-	-
Total transactions	-	-	-	-	-
Balance at 31 December 2020	8,920	(698)	8	(757)	7,473
Closing balance of equity attributable to					
AOP	1,716	-	8	(198)	1,526
AAP	7,021	(698)	-	(533)	5,790
PLUS ES	183	-	-	(26)	157
Balance at 31 December 2020	8,920	(698)	8	(757)	7,473

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Ausgrid Group
Consolidated statement of changes in equity
For the half year ended 31 December 2020
 (continued)

	Contributed equity \$M	Cash flow hedge reserve \$M	Defined benefit superannuation surplus \$M	Retained earnings \$M	Total \$M
Balance at 1 July 2019	8,890	(496)	16	(1,064)	7,346
Profit for the period	-	-	-	108	108
Other comprehensive income					
Changes in fair value of cash flow hedges - AAP	-	21	-	-	21
Defined benefit superannuation actuarial gains - AOP	-	-	1	-	1
Total other comprehensive income	-	21	1	-	22
Total comprehensive income for the period	-	21	1	108	130
Transactions recorded directly in equity:					
Contributed equity	30	-	-	-	30
Distributions paid	-	-	-	(30)	(30)
Total transactions	30	-	-	(30)	-
Balance at 31 December 2019	8,920	(475)	17	(986)	7,476
Closing balance of equity attributable to					
AOP	1,716	-	17	(376)	1,357
AAP	7,021	(475)	-	(584)	5,962
PLUS ES	183	-	-	(26)	157
Balance at 31 December 2019	8,920	(475)	17	(986)	7,476

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Ausgrid Group
Consolidated statement of cash flows
For the half year ended 31 December 2020

	Half year ended 31 December 2020 \$M	Half year ended 31 December 2019 \$M
Cash flows from operating activities		
Receipts from customers	1,119	1,147
Payments to suppliers and employees	(477)	(632)
Interest received	1	1
Interest paid	(224)	(225)
Net cash inflows from operating activities	<u>419</u>	<u>291</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(271)	(343)
Payments for intangible assets	(19)	(28)
Proceeds from sale of property, plant and equipment	12	2
Net cash outflows from investing activities	<u>(278)</u>	<u>(369)</u>
Cash flows from financing activities		
Equity injection from Partners	-	30
Proceeds from borrowings	1,130	1,788
Repayment of borrowings	(1,377)	(1,745)
Transaction costs paid	(4)	(16)
Distributions	-	(30)
Net cash (outflows)/inflows from financing activities	<u>(251)</u>	<u>27</u>
Net decrease in cash and cash equivalents	<u>(110)</u>	<u>(51)</u>
Cash and cash equivalents at the beginning of the period	403	187
Cash and cash equivalents at the end of the period	<u>293</u>	<u>136</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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1 Summary of significant accounting policies

This half year financial report is the consolidated financial statements of AOP (parent entity), AAP, PLUS ES and their respective controlled entities (**Ausgrid Group**) for the half year ended 31 December 2020.

Ausgrid Group is a stapled structure comprised of AOP, AAP and PLUS ES. The accounting standards require one parent entity in a consolidated group, so for the purpose of preparing these consolidated financial statements only, AOP was identified as the parent. AOP and its partnership entities, AAP and PLUS ES, were established on 20 October 2016 (AOP and AAP) and 1 November 2017 (PLUS ES), on the signing of the respective Partnership Deeds. A 50/50 consortium comprising IFM Investors and AustralianSuper holds 50.4% partnership interest and the New South Wales (**NSW**) Government (through various corporations established in accordance with the *Electricity Retained Interest Corporation Act 2015 (NSW)*) holds 49.6% partnership interest in AOP, AAP and PLUS ES.

Pursuant to the Partnership Deeds, all the Partners agreed to ensure equivalence in that the proportion of Partnership interest held by each Partner should be identical between AOP, AAP and PLUS ES.

This half year financial report does not include all notes of the type normally included in the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Ausgrid Group. Therefore, this half year financial report should be read in conjunction with the full year financial report of the Ausgrid Group for the year ended 30 June 2020.

(a) Basis of preparation

This half year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of Australian Accounting Standards Board (**AASB**) 134 Interim Financial Reporting which complies with International Accounting Standards (**IAS**) 34 Interim Financial Reporting.

This half year financial report has been prepared on a historical cost basis, except for the following:

- derivative financial instruments which are stated at their fair value;
- defined benefit plan which is measured at fair value; and
- assets classified as held for sale which are stated at the lower of their carrying value or Fair Value Less Cost of Disposal (**FVLCD**).

This half year financial report has been prepared using the same accounting policies as used in the financial report for the year ended 30 June 2020.

This half year financial report is presented in Australian Dollars (**AUD**).

(b) Critical accounting estimates and judgements

The preparation of the half year consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Ausgrid Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 2.

(c) Going concern

As at 31 December 2020, the Ausgrid Group had net current liabilities of \$414 million (30 June 2020: \$235 million net current assets) due to Term Facility B2 of the Syndicated Facility Agreement (**SFA**) of \$527 million being reclassified from long term to short term as it matures within the next 12 months (refer to Note 8).

The Directors have considered the following factors in determining whether the Ausgrid Group can pay its debts as and when they fall due for the next 12 months:

- The Ausgrid Group generated net operating cash inflows of \$419 million for the half year ended 31 December 2020 (half year ended 31 December 2019: \$291 million). The Ausgrid Group has forecast a positive cash balance for the next 12 months.

1 Summary of significant accounting policies (continued)

(c) Going concern (continued)

- The Ausgrid Group has available cash and cash equivalents of \$293 million (30 June 2020: \$403 million) and undrawn bank facilities of \$561 million as at 31 December 2020 (30 June 2020: \$211 million).
- The Ausgrid Group Treasury Policy requires that the process to refinance maturing debt is commenced no later than 12 months before the relevant maturity. Consistent with this policy, the 31 December 2020 balance of SFA Term Facility B2 was reduced in February 2021 by the proceeds of a \$220 million Australian Medium Term Note (**AMTN**) issue (refer to Note 17) and an early repayment of \$75 million.
- In June 2020 the Ausgrid Group's credit rating was reaffirmed by Moody's and Standard and Poor's (**S&P**) with a stable rating outlook. This supports continued access to bank lending and capital markets, with \$1.22 billion refinanced between July 2020 and February 2021 (refer to Note 8 and Note 17 for details).
- According to the Partnership Deeds, each Partner is responsible for discharging the liabilities of the Partnerships in proportion with their respective Partnership interest, and indemnifies each other Partner from the default of the liabilities. Accordingly, the Partners will provide continuing financial support so that the Ausgrid Group is able to pay its debts as and when they fall due.

On 11 March 2020, the World Health Organisation declared Coronavirus (**COVID-19**) a global health pandemic. The half year consolidated financial statements reflect the material impacts including appropriate measurement, presentation, disclosure and going concern assessment. Refer to Note 2 for further details.

The Directors do not foresee a significant impact on the Ausgrid Group's access to capital or liquidity position as a result of the pandemic. Given the Ausgrid Group provides a regulated essential service and currently maintains a strong financial position, is forecasting a positive cash balance for the next 12 months, and has available undrawn borrowing facilities, the half year consolidated financial statements have been prepared on a going concern basis.

(d) New and amended accounting standards adopted

The Ausgrid Group adopted AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform on 1 July 2020.

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by Interbank Offered Rate (**IBOR**) reform. The relief has the effect that IBOR reform will not cause hedge accounting to terminate. Any hedge ineffectiveness will continue to be recorded in the statement of profit or loss and other comprehensive income.

The Ausgrid Group holds a portfolio of foreign currency denominated fixed rate borrowings that are exposed to changes in fair value due to movements in market interest rates. The Ausgrid Group uses fair value hedge accounting to manage this interest rate risk exposure, which is determined as the change in fair value of the borrowings arising from changes in three month US\$ London Interbank Offered Rate (**LIBOR**) for US\$ denominated borrowings, and three month EUR LIBOR for EUR denominated borrowings (the benchmark rates of interest).

Under the temporary relief provided by the amendments, the Ausgrid Group has assessed whether the hedged US\$ LIBOR and EUR LIBOR risk component is a separately identifiable risk only when it first designates the hedge relationship and not on an ongoing basis.

As at 31 December 2020, the Ausgrid Group had \$3,827 million of US\$ denominated interest bearing notes affected by three month US\$ LIBOR and \$1,096 million of EUR denominated interest bearing notes affected by three month EUR LIBOR.

(e) New accounting standards and interpretations not yet adopted

There have not been any newly issued but yet to be effective accounting standards or interpretations that will materially impact the half year consolidated financial statements of the Ausgrid Group.

1 Summary of significant accounting policies (continued)

(f) Rounding of amounts

The Ausgrid Group has applied Australian Securities and Investments Commission (**ASIC**) Legislative Instrument 2016/191 (Rounding in Financial/Directors' Reports). The amounts shown in the half year financial report have been rounded to the nearest \$1,000,000, unless otherwise indicated.

2 Uses of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

During the half year ended 31 December 2020, the following significant events have occurred that provide further information on the estimates and judgements disclosed in this half year financial report.

COVID-19

COVID-19 has impacted revenue, operations, expected credit losses, valuation of derivatives and the application of hedge accounting, and recoverable amount assessments of non-financial assets. The impact of the COVID-19 pandemic on each of these accounting estimates is discussed further below.

(a) Revenue impact

The Ausgrid Group continues to provide essential network services during the COVID-19 pandemic. The impact of COVID-19 has resulted in lower energy consumption by non-residential customers over the half year ended 31 December 2020 due to a reduction in industrial and commercial economic activity. However, the impact on regulated revenue has been largely offset by increased energy consumption by residential customers. Under the regulatory framework, the Ausgrid Group does not assume volume risk, meaning any under-recovered revenue due to lower energy consumption is recovered in future years within the current five year regulatory period (1 July 2019 to 30 June 2024).

Revenue for the half year ended 31 December 2020 includes the residual impact of the following relief measures that were made available to customers in the financial year ended 30 June 2020. These measures have not changed during the half year ended 31 December 2020 and as at 31 December 2020 no additional measures have been announced.

- One-off capacity resets offered by the Ausgrid Group to medium and large non-residential customers that have been significantly impacted by COVID-19. This resulted in a revenue reduction of \$5 million in the previous financial year ended 30 June 2020 which will be recovered during the remainder of the current regulatory period;
- An industry relief package offered by the Ausgrid Group, along with some other network businesses in the National Electricity Market, that waived or deferred network charges for certain customers impacted by COVID-19. The waived network charges were limited to the period 1 April 2020 to 30 June 2020 and were recognised in the previous financial year ended 30 June 2020. The deferral of network charges resulted in extended payment terms to September 2020 and have now been collected in full; and
- On 6 August 2020, the Australian Energy Market Commission (**AEMC**) introduced a rule change that defers network access charges by up to six months for customers of small, non-government owned retailers facing hardship due to COVID-19. During the half year ended 31 December 2020, there were no deferrals requested under this rule.

The Ausgrid Group has considered and incorporated these impacts when assessing goodwill impairment indicators and going concern. The Ausgrid Group concluded that no impairment is required and there is sufficient liquidity to be able to pay debts as and when they fall due for the next 12 months.

(b) Operations

The COVID-19 impact on the Ausgrid Group's operations and the measures taken by the Ausgrid Group to mitigate the impact are outlined below:

2 Uses of estimates and judgements (continued)

(b) Operations (continued)

- The Ausgrid Group continues to utilise its Business Continuity Management Framework to monitor the impact of COVID-19 developments and ensure timely and co-ordinated communication across the business on all matters relating to network resilience, customer service and the safety and well-being of its employees. Since March 2020 the Ausgrid Group has implemented enterprise wide protocols governing the security of critical infrastructure, physical distancing, hygiene, travel and face-to-face meetings. These protocols are monitored and have been updated as the circumstances relating to COVID-19 have evolved;
- Certain non-essential work that was deferred to allow an increased focus on the maintenance of critical network assets, to reduce the likelihood of unplanned outages in the early stages of the pandemic, has been gradually reinstated as government COVID-19 restrictions have been eased across the network area;
- Protective measures remain in place to safeguard the functioning of critical network facilities including the system control rooms and contact centres. Back-up locations and teams have also been established in the event of any COVID-19 related impacts to these areas;
- Except for field staff, a significant component of the workforce was transitioned to working from home arrangements at the onset of government COVID-19 restrictions in March 2020. Since October 2020 the majority of employees that had been working from home have returned to work in Ausgrid locations two days a week, with appropriate hygiene and physical distancing protocols in place; and
- Employee development activities have been transitioned to online delivery platforms or reduced physical contact settings to ensure the continuation of mandatory training and compliance activity.

(c) Liquidity

The Ausgrid Group holds a cash balance of \$293 million and undrawn facilities of \$561 million at 31 December 2020. Based on operating cash flow projections at 31 December 2020, management does not anticipate any material impact from COVID-19 on its forecast liquidity position.

(d) Expected credit losses

The Ausgrid Group measures the allowance for expected credit losses using an expected credit loss impairment model as required by AASB 9 Financial Instruments (**AASB 9**). The Ausgrid Group has assessed the allowance for expected credit losses. For the regulated business, the retailer carries the bad debt risk of customers' inability to pay. The Ausgrid Group's regulated revenue is protected from retailer insolvency by a pass-through mechanism which allows recovery of revenue lost due to retailer failure.

(e) Valuation of derivatives and application of hedge accounting

The Ausgrid Group continues to review the appropriateness of the inputs to the valuation of derivatives. This includes the use of the appropriate credit default swap curves to calculate the bilateral credit adjustments that are applied to the valuation of Interest Rate Swaps (**IRS**) and Cross Currency Interest Rate Swaps (**CCIRS**). The market observable inputs are used for the valuation of derivatives and they continue to be deemed level two within the fair value hierarchy in accordance with AASB 13 Fair Value Measurement. Refer to Note 16 for further details.

In accordance with the Ausgrid Group Treasury Policy, the Ausgrid Group only has derivatives with counterparties that have a minimum long-term credit rating of A- from S&P or A3 from Moody's.

The hedged forecasted cash flows in the cash flow hedge relationships remain highly probable. Accordingly, the application of hedge accounting is permissible in accordance with AASB 9.

(f) Recoverable amount assessments of non-financial assets

Consistent with the Ausgrid Group's accounting policies, the Ausgrid Group has assessed the indicators of impairment for goodwill and property, plant and equipment for half year ended 31 December 2020. Such assessment incorporated a consideration of COVID-19. No impairment is required as a result of the assessment.

2 Uses of estimates and judgements (continued)

Storm costs pass-through application

During the financial year ended 30 June 2020, major storm events caused significant damage to the Ausgrid Group network. The damage caused by these storms interrupted power to a large number of customers and required an Ausgrid-wide effort, supported by other distribution networks and third parties, to restore power quickly and safely to impacted customers. As a result of the financial impact of these storms, the Ausgrid Group submitted a pass-through application to the Australian Energy Regulator (**AER**). In December 2020, the AER approved a pass-through amount of \$26 million related to the February 2020 storm, comprising of \$14 million operating expenditure and \$12 million capital expenditure. The operating expenditure will be recovered via an increased revenue allowance across the remainder of the current regulatory period, and capital expenditure will be recovered over the life of the assets created during the storm recovery.

3 Revenue

	Half year ended 31 December 2020 \$M	Half year ended 31 December 2019 \$M
Revenue components		
Distribution Use of System (DUOS)	742	729
Transmission Use of System (TUOS)		
Pass-through	148	125
Non pass-through	23	30
Climate Change Fund (CCF) pass-through	66	66
Network Use of System (NUOS)	979	950
Transmission	7	9
Standard Control Services (SCS) capital contributions	74	59
Other	-	3
Total SCS revenue	1,060	1,021
Metering	29	29
Street lighting	16	15
Ancillary Network Services (ANS)	34	32
Alternative Control Services (ACS) capital contributions	1	-
Total ACS revenue	80	76
Unregulated revenue	65	58
Total unregulated revenue	65	58
Interest income	1	1
Total other revenue	1	1
Total revenue	1,206	1,156

4 Expenses

(a) Distribution of energy costs

	Half year ended 31 December 2020 \$M	Half year ended 31 December 2019 \$M
SCS regulated pass-through costs		
Transmission Network Service Provider (TNSP)	146	134
CCF	67	67
Total regulated pass-through costs	<u>213</u>	<u>201</u>
Total distribution of energy costs	<u>213</u>	<u>201</u>

(b) Operating expenses

(i) Operating expenses by nature

	Half year ended 31 December 2020 \$M	Half year ended 31 December 2019 \$M
Employee benefits expense	121	128
Superannuation expenses (defined benefit plan)	2	(1)
Superannuation expenses (defined contribution plan)	24	23
Reform costs - SCS	27	9
Reform costs - ACS	4	1
Employee benefits expenses	<u>178</u>	<u>160</u>
Contracted services	63	70
Information Technology (IT) expenses	31	28
Land and other taxes	13	13
Materials	8	10
Short-term and low-value lease rental	1	2
Impairment of receivables	1	-
Other	7	13
Other expenses	<u>124</u>	<u>136</u>
Total operating expenses	<u>302</u>	<u>296</u>

(ii) Operating expenses by line of business

	Half year ended 31 December 2020 \$M	Half year ended 31 December 2019 \$M
SCS	217	208
ACS	58	54
Unregulated	27	34
Total operating expenses	<u>302</u>	<u>296</u>

4 Expenses (continued)

(c) Depreciation and amortisation expense

	Half year ended 31 December 2020 \$M	Half year ended 31 December 2019 \$M
Depreciation of property, plant and equipment	288	273
Amortisation of intangible assets	47	40
Total depreciation and amortisation expense	335	313

(d) Finance costs

	Half year ended 31 December 2020 \$M	Half year ended 31 December 2019 \$M
Interest expense	220	224
Amortisation of loan transaction costs	12	10
Lease interest	2	2
Capitalised interest	(2)	(3)
Hedge ineffectiveness	(15)	(2)
Adjustments to SFA	1	1
Other	1	1
Total finance costs	219	233

5 Property, plant and equipment

	Land and buildings \$M	Network assets \$M	Plant and equipment \$M	Total ¹ \$M
At 31 December 2020				
At cost	810	17,618	677	19,105
Accumulated depreciation	(61)	(1,836)	(219)	(2,116)
Net carrying amount	749	15,782	458	16,989

Period ended 31 December 2020

Net carrying amount at 1 July 2020	757	15,723	445	16,925
Additions	2	302	52	356
Disposals	-	(2)	(2)	(4)
Depreciation expense	(10)	(241)	(37)	(288)
Net carrying amount	749	15,782	458	16,989

30 June 2020

At cost	808	17,318	627	18,753
Accumulated depreciation	(51)	(1,595)	(182)	(1,828)
Net carrying amount	757	15,723	445	16,925

5 Property, plant and equipment (continued)

(1) Right of Use (ROU) assets in property, plant and equipment

On 1 December 2016, the Ausgrid Group entered into a 99 year finance lease with the NSW Government. The underlying leased assets arising from the 99 year finance lease are land and buildings, network assets and plant and equipment. These leased assets with a ROU carrying value of \$16,642 million as at 31 December 2020 constitute a major portion of Ausgrid Group's property, plant and equipment.

Assets under construction

At 31 December 2020, property, plant and equipment includes the following assets under construction:

Land and buildings	\$24 million (30 June 2020: \$40 million)
Network assets	\$456 million (30 June 2020: \$462 million)
Plant and equipment	\$47 million (30 June 2020: \$47 million)

6 Intangible assets

	Network assets \$M	Customer contracts \$M	Computer software \$M	Goodwill \$M	Total \$M
At 31 December 2020					
At cost	1,687	5	436	2,135	4,263
Accumulated amortisation	(67)	(4)	(231)	-	(302)
Accumulated impairment	-	-	-	(348)	(348)
Net carrying amount	1,620	1	205	1,787	3,613
Period ended 31 December 2020					
Net carrying amount at 1 July 2020	1,628	1	225	1,787	3,641
Additions	-	-	19	-	19
Amortisation expense	(8)	-	(39)	-	(47)
Net carrying amount	1,620	1	205	1,787	3,613
At 30 June 2020					
At cost	1,687	5	417	2,135	4,244
Accumulated amortisation	(59)	(4)	(192)	-	(255)
Accumulated impairment	-	-	-	(348)	(348)
Net carrying amount	1,628	1	225	1,787	3,641

Assets under construction

At 31 December 2020, assets under construction included in intangible assets related to computer software of \$11 million (30 June 2020: \$21 million).

7 Derivatives

	31 December 2020 \$M	30 June 2020 \$M
Non-current asset		
IRS	85	81
CCIRS	431	1,065
Total non-current derivative financial assets	<u>516</u>	<u>1,146</u>
Total derivative financial assets	<u>516</u>	<u>1,146</u>
Current liability		
IRS	(9)	-
Total current derivative financial liabilities	<u>(9)</u>	<u>-</u>
Non-current liability		
IRS	(907)	(991)
Total non-current derivative financial liabilities	<u>(907)</u>	<u>(991)</u>
Total derivative financial liabilities	<u>(916)</u>	<u>(991)</u>
Net derivative financial (liabilities)/assets	<u>(400)</u>	<u>155</u>

8 Borrowings

	31 December 2020 \$M	30 June 2020 \$M
Current		
Lease liabilities	4	3
A\$ denominated interest bearing loans	527	-
Less: Transaction costs	(1)	-
Total current borrowings	<u>530</u>	<u>3</u>
Non-current		
Lease liabilities	26	25
Total non-current lease liabilities	<u>26</u>	<u>25</u>
A\$ denominated interest bearing loans	4,933	6,707
A\$ denominated interest bearing notes	2,588	1,593
US\$ denominated interest bearing notes	3,827	4,389
EUR denominated interest bearing notes	1,096	1,125
Less: Transaction costs	(70)	(79)
Total non-current loans and notes	<u>12,374</u>	<u>13,735</u>
Total non-current borrowings	<u>12,400</u>	<u>13,760</u>

8 Borrowings (continued)

AMTN

On 29 July 2020, the Ausgrid Group priced a \$1 billion senior secured medium term note issue in the AMTN market. This comprised \$750 million of fixed rate notes at a yield and coupon of 1.814% with a tenor of 6.5 years and \$250 million of floating rate notes at BBSW+1.10% with a tenor of 3.5 years. The net proceeds were used to repay the Capex Facility C (\$200 million) and Facility B2 (\$797 million) of the SFA.

(a) Loans and notes

	Drawdown ¹ \$M	Foreign exchange movements ² \$M	Fair value adjustments ³ \$M	Transaction costs \$M	Carrying value \$M
31 December 2020					
Fixed rate notes					
10 year US\$770M US Private Placement (USPP)	966	33	106	(4)	1,101
12 year US\$430M USPP	540	19	69	(3)	625
15 year US\$430M USPP	540	19	84	(4)	639
10 year A\$29M USPP	29	-	-	-	29
12 year A\$103M USPP	103	-	-	(1)	102
15 year A\$88M USPP	88	-	-	(1)	87
7 year A\$750M AMTN	750	-	68	(4)	814
6.5 year A\$750M AMTN	750	-	-	(3)	747
7.25 year EUR650M	1,037	-	59	(3)	1,093
5 year US\$500M 144A	659	(9)	41	(3)	688
10.25 year US\$500M 144A	659	(9)	110	(7)	753
	6,121	53	537	(33)	6,678
Floating rate notes and facilities					
15 year A\$100M USPP	100	-	-	(1)	99
7 year A\$450M AMTN	450	-	-	(1)	449
3.5 year A\$250M AMTN	250	-	-	(1)	249
Syndicated Facility Agreement ⁴	3,814	-	(4)	(22)	3,788
Asian Syndicated Facility (ASF)	1,650	-	-	(13)	1,637
	6,264	-	(4)	(38)	6,222
Total loans and notes	12,385	53	533	(71)	12,900

- (1) The drawdown represents A\$ denominated loans and notes or, in regards to foreign currency denominated notes, the A\$ equivalent translated at the hedged rate at inception.
- (2) This relates to foreign exchange movements from the date of original drawdown of non AUD notes to 31 December 2020.
- (3) The fair value adjustment of \$533 million (30 June 2020: \$685 million) is made up of a hedge accounting adjustment of \$537 million (30 June 2020: \$689 million) due to interest rate movements, offset by a net gain on the amend and extend of the SFA, which occurred on 9 October 2018, of \$4 million (30 June 2020: \$4 million).
- (4) Syndicated Facility Agreement includes Facilities B1, B2, B4, B5, C and D. The original drawdown of the SFA was \$11,931 million. This was reduced to \$3,814 million due to repayments of \$8,966 million, partially offset by additional drawdowns of \$849 million since the inception of the SFA.

8 Borrowings (continued)

(a) Loans and notes (continued)

	Drawdown \$M	Foreign exchange movements \$M	Fair value adjustments \$M	Transaction costs \$M	Carrying value \$M
30 June 2020					
Fixed rate notes					
10 year US\$770M USPP	966	156	139	(5)	1,256
12 year US\$430M USPP	540	87	96	(3)	720
15 year US\$430M USPP	540	87	123	(4)	746
10 year A\$29M USPP	29	-	-	-	29
12 year A\$103M USPP	103	-	-	(1)	102
15 year A\$88M USPP	88	-	-	(1)	87
7 year A\$750M AMTN	750	-	73	(4)	819
7.25 year EUR650M	1,037	27	61	(4)	1,121
5 year US\$500M 144A	659	70	55	(3)	781
10.25 year US\$500M 144A	659	70	142	(8)	863
	5,371	497	689	(33)	6,524
Floating rate notes and facilities					
15 year A\$100M USPP	100	-	-	(1)	99
7 year A\$450M AMTN	450	-	-	(1)	449
Syndicated Facility Agreement	5,061	-	(4)	(30)	5,027
Asian Syndicated Facility	1,650	-	-	(14)	1,636
	7,261	-	(4)	(46)	7,211
Total loans and notes	12,632	497	685	(79)	13,735

8 Borrowings (continued)

(a) Loans and notes (continued)

	Maturity	Facility limit \$M	Drawn \$M	Undrawn \$M	Rate in currency of issue ¹
31 December 2020					
10 year US\$770M USPP fixed rate	1 Oct 27	999	999	-	3.50%
12 year US\$430M USPP fixed rate	1 Oct 29	559	559	-	3.60%
15 year US\$430M USPP fixed rate	1 Oct 32	559	559	-	3.75%
10 year A\$29M USPP fixed rate	1 Oct 27	29	29	-	4.45%
12 year A\$103M USPP fixed rate	1 Oct 29	103	103	-	4.62%
15 year A\$88M USPP fixed rate	1 Oct 32	88	88	-	4.86%
15 year A\$100M USPP floating rate	1 Oct 32	100	100	-	BBSW+1.80%
Total USPP notes		2,437	2,437	-	
7 year A\$750M AMTN fixed rate	30 Oct 24	750	750	-	3.75%
7 year A\$450M AMTN floating rate	30 Oct 24	450	450	-	BBSW+1.22%
6.5 year A\$750M AMTN fixed rate	5 Feb 27	750	750	-	1.81%
3.5 year A\$250M AMTN floating rate	5 Feb 24	250	250	-	BBSW+1.10%
Total AMTN		2,200	2,200	-	
5 year US\$500M 144A fixed rate	1 May 23	650	650	-	3.85%
10.25 year US\$500M 144A fixed rate	1 Aug 28	650	650	-	4.35%
Total US 144A notes		1,300	1,300	-	
7.25 year EUR650M fixed rate	30 Jul 25	1,037	1,037	-	1.25%
Total Euro Medium Term Note (EMTN)		1,037	1,037	-	
SFA Term Facility B1	1 Jun 22	917	917	-	BBSY+0.80%
SFA Term Facility B2	1 Dec 21	527	527	-	BBSY+1.35%
SFA Term Facility B4	1 Dec 23	1,400	1,400	-	BBSY+1.05%
SFA Term Facility B5	1 Dec 25	600	600	-	BBSY+1.30%
ASF 7 year Term Facility	2 Jul 26	1,400	1,400	-	BBSY+1.30%
ASF 10 year Term Facility	2 Jul 29	250	250	-	BBSY+1.55%
Total term loans		5,094	5,094	-	
Capex Facility C	1 Jun 22	721	343	378	BBSY+0.80%
Working Capital Facility D ²	1 Jun 22	250	27	223	BBSY+0.80%
Total liquidity		971	370	601	
Total³		13,039	12,438	601	

- (1) The rates listed are those that apply to each instrument in its respective currency of issuance. The Bank Bill Swap Rate (BBSW/BBSY) is a floating short-term benchmark interest rate. BBSY is equivalent to BBSW plus a spread of 0.05%.
- (2) In addition to the \$27 million drawn under the Working Capital Facility D, \$40 million of bank guarantees have been issued under the facility and the unutilised funds available under the Working Capital Facility D is \$183 million. Refer to Note 14.
- (3) The Australian dollar weighted average cost of drawn debt for the half year ended 31 December 2020, including interest on drawn debt and net payments under the CCIRS and IRS portfolios, was 3.49% (half year ended 31 December 2019: 3.58%).

8 Borrowings (continued)

(a) Loans and notes (continued)

	Maturity	Facility limit \$M	Drawn \$M	Undrawn \$M	Rate in currency of issue
30 June 2020					
10 year US\$770M USPP fixed rate	1 Oct 27	1,122	1,122	-	3.50%
12 year US\$430M USPP fixed rate	1 Oct 29	627	627	-	3.60%
15 year US\$430M USPP fixed rate	1 Oct 32	627	627	-	3.75%
10 year A\$29M USPP fixed rate	1 Oct 27	29	29	-	4.45%
12 year A\$103M USPP fixed rate	1 Oct 29	103	103	-	4.62%
15 year A\$88M USPP fixed rate	1 Oct 32	88	88	-	4.86%
15 year A\$100M USPP floating rate	1 Oct 32	100	100	-	BBSW+1.80%
Total USPP notes		2,696	2,696	-	
7 year A\$750M AMTN fixed rate	30 Oct 24	750	750	-	3.75%
7 year A\$450M AMTN floating rate	30 Oct 24	450	450	-	BBSW+1.22%
Total AMTN		1,200	1,200	-	
5 year US\$500M 144A fixed rate	1 May 23	729	729	-	3.85%
10.25 year US\$500M 144A fixed rate	1 Aug 28	729	729	-	4.35%
Total US 144A notes		1,458	1,458	-	
7.25 year EUR650M fixed rate	30 Jul 25	1,064	1,064	-	1.25%
Total EMTN		1,064	1,064	-	
SFA Term Facility B1	1 Jun 22	917	917	-	BBSY+0.80%
SFA Term Facility B2	1 Dec 21	1,424	1,424	-	BBSY+1.35%
SFA Term Facility B4	1 Dec 23	1,400	1,400	-	BBSY+1.05%
SFA Term Facility B5	1 Dec 25	600	600	-	BBSY+1.30%
ASF 7 year Term Facility	2 Jul 26	1,400	1,400	-	BBSY+1.30%
ASF 10 year Term Facility	2 Jul 29	250	250	-	BBSY+1.55%
Total term loans		5,991	5,991	-	
Capex Facility C	1 Jun 22	721	693	28	BBSY+0.80%
Working Capital Facility D	1 Jun 22	250	27	223	BBSY+0.80%
Total liquidity		971	720	251	
Total		13,380	13,129	251	

8 Borrowings (continued)

(b) Reconciliation of liabilities arising from financing activities

	1 July 2020	Cash Flows	Non-cash changes				31 December 2020
			Fair value adjustments	Foreign exchange movements	Amortisation	Acquisition	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
A\$ denominated interest bearing loans	6,707	(1,247)	-	-	-	-	5,460
A\$ denominated interest bearing notes	1,593	1,000	(5)	-	-	-	2,588
US\$ denominated interest bearing notes	4,389	-	(145)	(417)	-	-	3,827
EUR denominated interest bearing notes	1,125	-	(2)	(27)	-	-	1,096
Transaction costs	(79)	(4)	-	-	12	-	(71)
Lease liabilities	28	(2)	-	-	2	2	30
Total liabilities from financing activities	13,763	(253)	(152)	(444)	14	2	12,930

9 Provisions

	Employee benefits \$M	Restructuring \$M	Workers compensation and legal \$M	Other \$M	Total \$M
Balance at 1 July 2020	319	2	31	47	399
Additional provision	82	26	3	4	115
Amounts used	(71)	(2)	(3)	(2)	(78)
Amount reversed	(2)	-	-	(1)	(3)
At 31 December 2020	328	26	31	48	433
Current	249	26	7	15	297
Non-current	79	-	24	33	136
At 31 December 2020	328	26	31	48	433
Current	252	2	7	19	280
Non-current	67	-	24	28	119
At 30 June 2020	319	2	31	47	399

9 Provisions (continued)

(a) Employee benefits

The provision for employee benefits relates to amounts accruing to employees up to the reporting date in respect of annual leave, preserved sick leave, superannuation, long service leave and defined benefit plan. Amounts provided for in relation to long service leave, preserved sick leave, supplementary superannuation and defined benefit plan are based on actuarial assessments.

Employee benefits amounts expected to be settled in 12 months have been measured at the amounts expected to be paid when the liabilities are settled. The non-current provision for employee benefits includes \$23 million relating to the defined benefit plan liability (30 June 2020: \$25 million).

(b) Restructuring

The Ausgrid Group is continuing its Transformation Program, which has resulted in a significant reorganisation of functions, including a reduction in headcount. The restructuring provision reflects the costs of redundancy payments expected to be made when impacted employees exit the organisation.

10 Partner capital

	AOP		AAP		PLUS ES	
	Number	\$M	Number	\$M	Number ¹	\$M
31 December 2020						
Ordinary capital interest	504	865	504	3,538	4,612	92
A class capital interest	496	851	496	3,483	4,538	91
Total contributed equity	1,000	1,716	1,000	7,021	9,150	183
30 June 2020						
Ordinary capital interest	504	865	504	3,538	4,612	92
A class capital interest	496	851	496	3,483	4,538	91
Total contributed equity	1,000	1,716	1,000	7,021	9,150	183

(1) The number of interests for PLUS ES is in millions.

11 Retained earnings

	AOP \$M	AAP \$M	PLUS ES \$M	Total \$M
Balance at 1 July 2020	(262)	(612)	(28)	(902)
Profit for the period	64	79	2	145
Balance at 31 December 2020	<u>(198)</u>	<u>(533)</u>	<u>(26)</u>	<u>(757)</u>

Balance at 1 July 2019	(476)	(566)	(22)	(1,064)
Profit/(loss) for the period	130	(18)	(4)	108
Distributions paid	(30)	-	-	(30)
Balance at 31 December 2019	<u>(376)</u>	<u>(584)</u>	<u>(26)</u>	<u>(986)</u>

12 Capital expenditure commitments

Commitments for the acquisition of property, plant and equipment and intangible assets not recognised in the consolidated financial statements at the reporting date are as follows:

	31 December 2020 \$M	30 June 2020 \$M
Within one year	135	138
Later than one year but no later than five years	10	53
	<u>145</u>	<u>191</u>

13 Leases

Lease receivables - leases as lessor

The Ausgrid Group leases out its properties, including premises, land and communications towers, under lease agreements at market rentals, predominantly on a fixed term basis. The future minimum lease receivables under non-cancellable leases are as follows:

	31 December 2020 \$M	30 June 2020 \$M
Within one year	6	7
Later than one year but no later than five years	4	6
Later than five years	5	5
	<u>15</u>	<u>18</u>

14 Contingent liabilities and contingent assets

	31 December 2020 \$M	30 June 2020 \$M
Contingent liabilities		
Guarantees provided to regulatory and statutory authorities	35	35
Guarantees provided to external parties	5	5
	40	40

The guarantees provided to regulatory and statutory authorities relate to bank guarantees in place in relation to the Ausgrid Group's self-insured workers' compensation.

15 Group entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in Note 1 for which AOP is the parent entity. All entities are incorporated in Australia.

Name of entity

AAP
 Ausgrid Management Pty Limited (**AMPL**)
 Ausgrid Finance Pty Limited (**AFPL**)
 PLUS ES
 PLUS ES Management 1 Pty Limited (**PESM1**)
 PLUS ES Management 2 Pty Limited (**PESM2**)
 Active Stream Pty Limited (**Active Stream**)

16 Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents the Ausgrid Group's assets and liabilities measured and recognised at fair value at the reporting date.

16 Fair value measurements (continued)

31 December 2020	Notes	Level 1 \$M	Level 2 \$M	Level 3 \$M	Total \$M
Recurring fair value measurements					
Derivatives	7	-	(400)	-	(400)
Total		-	(400)	-	(400)
Non-recurring fair value measurements					
Assets classified as held for sale		-	-	4	4
Total		-	-	4	4
30 June 2020					
Recurring fair value measurements					
Derivatives	7	-	155	-	155
Total		-	155	-	155
Non-recurring fair value measurements					
Assets classified as held for sale		-	-	4	4
Total		-	-	4	4

The carrying amounts of financial instruments which are not measured at fair value in the statement of financial position approximate their fair values.

(a) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis, using maximum observable market input data which include prices from observable current market transactions and dealer quotes for similar instruments.

(b) Non-recurring fair value measurements

Non-current assets classified as held for sale during the reporting period are measured at the lower of their carrying amount and FVLCOB and are included in Level 3. Assets held for sale comprise land and buildings transferred from property, plant and equipment.

17 Events subsequent to the half year end

On 17 February 2021, the Ausgrid Group priced a \$220 million senior secured medium term note issue in the AMTN market. This comprised \$220 million of floating rate notes at BBSW+1.00% with a tenor of five years. On 24 February 2021 the proceeds were used to repay part of Term Facility B2 of the SFA.

Other than the above mentioned matter, no other matter or circumstance has occurred subsequent to the end of the reporting period that has significantly affected, or may significantly affect, the operations of the Ausgrid Group, the results of those operations or the state of affairs of the Ausgrid Group in subsequent financial years.

In the Directors' opinion:

- (a) the consolidated half year financial statements and notes set out on pages 1 to 26 are in accordance with the Partnership Deeds, and:
 - (i) comply with Accounting Standard *AASB 134 Interim Financial Reporting* and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the Ausgrid Group's financial position as at 31 December 2020 and of its performance for the half year ended 31 December 2020;
- (b) there are reasonable grounds to believe that the Ausgrid Group will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the consolidated half year financial statements also comply with the requirement of *AASB 134 Interim Financial Reporting* which is also compliant with *IAS 34 Interim Financial Reporting*.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer consistent with the listed entity requirement under section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.



Dr Helen Nugent AO
Director

16 March 2021



Robert Wright
Chairman Audit Committee

16 March 2021



Independent auditor's review report to the partners of Ausgrid Group

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Ausgrid Group, which comprises the Ausgrid Operator Partnership (AOP), the Ausgrid Asset Partnership (AAP) and the PLUS ES Partnership (PLUS ES) and the respective entities that they controlled during the half year, which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half year ended 31 December 2020, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Ausgrid Group.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half year financial report of Ausgrid Group does not present fairly, in all material respects, the Ausgrid Group's financial position as at 31 December 2020 and its financial performance and its cash flows for the half year ended on that date, in accordance with the accounting policies as described in Note 1 to the financial statements.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half year financial report* section of our report.

We are independent of the Ausgrid Group in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 1 in the half year financial report, which describes the basis of accounting. The half year financial report has been prepared by the directors to meet the information needs of the partners of Ausgrid Group. As a result, the half year financial report may not be suitable for another purpose. Our report is intended solely for the Ausgrid Group and its partners and should not be used by parties other than the Ausgrid Group and its partners. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half year financial report

The directors of Ausgrid Group are responsible for the preparation and fair presentation of the half year financial report in accordance with the accounting policies as described in Note 1 to the financial statements and have determined that the accounting policies in Note 1, which form part of the

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financial report, are appropriate to meet the needs of the partners and in accordance with AASB 134 Interim Financial Reporting which is also compliant with IAS 34 Interim Financial Reporting. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the half year financial report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half year financial report does not present fairly, in all material respects, the financial position of the Ausgrid Group as at 31 December 2020 and of its financial performance and its cash flows for the half year ended on that date in accordance with the accounting policies as described in Note 1 to the financial statements.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers
PricewaterhouseCoopers

Brett Entwistle
Brett Entwistle
Partner

Sydney
16 March 2021

Glossary

AAP	Ausgrid Asset Partnership
AASB	Australian Accounting Standards Board
AASB 9	AASB 9 Financial Instruments
ACS	Alternative Control Services
Active Stream	Active Stream Pty Limited
AEMC	Australian Energy Market Commission
AER	Australian Energy Regulator
AFPL	Ausgrid Finance Pty Limited
AMTN	Australian Medium Term Note
AMPL	Ausgrid Management Pty Limited
ANS	Ancillary Network Services
AOP	Ausgrid Operator Partnership
ASF	Asian Syndicated Facility
ASIC	Australian Securities and Investments Commission
AUD	Australian Dollars
Ausgrid Group	AOP (parent entity), AAP, PLUS ES and their respective controlled entities
BBSW/BBSY	Bank Bill Swap Rate
CCF	Climate Change Fund
CCIRS	Cross Currency Interest Rate Swaps
COVID-19	Coronavirus
DUOS	Distribution Use of System
EMTN	Euro Medium Term Note
FVLCOD	Fair Value Less Cost of Disposal
IAS	International Accounting Standards
IBOR	Interbank Offered Rate
IRS	Interest Rate Swaps
IT	Information Technology
LIBOR	London Interbank Offered Rate
NSW	New South Wales
NUOS	Network Use of System
PLUS ES	PLUS ES Partnership

Glossary (continued)

PESM1	PLUS ES Management 1 Pty Limited
PESM2	PLUS ES Management 2 Pty Limited
ROU	Right of Use
S&P	Standard and Poor's
SCS	Standard Control Services
SFA	Syndicated Facility Agreement
TNSP	Transmission Network Service Provider
TUOS	Transmission Use of System
USPP	US Private Placement