



N.T. GAS **Pty. Limited**
ACN 050 221 415
IN TRUST FOR THE AMADEUS GAS TRUST ABN 68 348 460 818

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Our Ref: 789 / 20.1.2

31 July 2006

Mr Mike Buckley
General Manager
Network Regulation North
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

Dear Mike

2005/06 RING FENCING COMPLIANCE REPORT

Please find attached the signed Ring Fencing Compliance report for the Amadeus Basin to Darwin Pipeline covering the year to 30 June 2006.

Yours sincerely

JANET JONES
Company Secretary

Attach.

Statement of Compliance

Statement of Compliance for N.T. Gas Pty. Limited ACN 050 221 415 ("NT Gas") for the financial year 2005/06

NT Gas – Amadeus Basin to Darwin Pipeline

1. Attached is the annual Ring Fencing Compliance Report for the year ending 30 June 2006. NT Gas has not varied the Ring Fencing Compliance Report or Statement of Compliance from the original forms sent by the ACCC, other than to provide the information required.
2. NT Gas is not aware of any breach of any of the obligations listed in section 4.1 of the Code other than as detailed in this report.
3. NT Gas has maintained a compliance program during the relevant period that ensures that:
 - (a) appropriate internal procedures have been established and maintained to ensure compliance with the obligations in section 4.1 of the *National Third Party Access Code for Natural Gas Pipeline Systems* (the Code);
 - (b) an accurate assessment of these procedures has been made;
 - (c) the General Manager of NT Gas is made aware of any breaches of the ring fencing obligations;
 - (d) remedial action is taken as soon as possible to rectify breaches of the minimum ring fencing obligations and that completion of this action is reported to the Board of Directors;
 - (e) the compliance program is reviewed regularly and as necessary.
4. The Board of Directors of NT Gas has approved this report on 27 July 2006.

Signed by:



NAME: WENDY O'DONNELL

GENERAL MANAGER/
CHIEF EXECUTIVE OFFICER

DATE: 31/7/06.



NAME: PETER CALDWELL

DIRECTOR

DATE: 31/7/06

Ring Fencing Compliance Report

Ring Fencing Compliance Report for N.T. Gas Pty. Limited ACN 050 221 415 ("NT Gas") for the financial year 2005/06

Definitions

Unless otherwise defined, all capitalised terms used in this document have the meaning given to them in section 10.8 of the Code.

Compliance with minimum ring fencing obligations

NT Gas submits this report under section 4.13 of the Code. The report describes the measures taken to ensure compliance with its obligations under section 4 and provides an accurate assessment of the effect of those measures.

NT Gas will, pursuant to section 4.14 of the Code, notify the Commission immediately on becoming aware of a breach (or potential breach) of its obligations under section 4 of the Code. Notification should be directed to the General Manager, Regulatory Affairs – Gas, ACCC.

1. Service Provider is a legal entity

Section 4.1(a) of the Code requires a Service Provider to be a legal entity.

NT Gas Pty Limited, A.C.N. 050 221 415 ("NT Gas") is a legal entity incorporated under the *Corporations Act 2001*. As trustee for the Amadeus Gas Trust, NT Gas operates the Amadeus Basin to Darwin Pipeline ("ABDP").

2. Not carry on a Related Business

Section 4.1(b) of the Code requires that a Service Provider not carry on a Related Business (essentially a business of producing, purchasing or selling natural gas).

NT Gas manages and operates the ABDP and its laterals. NT Gas does not (on its own account) produce natural gas, and does not (on its own account) purchase or sell natural gas other than for operational purposes for the ABDP. The sale and purchase of natural gas for operational purposes is not a Related Business as defined in section 10.8 of the Code.

Pursuant to pre-existing agreements of which the Commission is aware, NT Gas is contractually committed to buy and sell natural gas. However, fulfilment of NT Gas's obligations under these agreements does not require NT Gas to participate actively in the sale or purchase of gas.

The table in Attachment 1 lists NT Gas Service Provider's Associates under the Code. These associates are companies in the APT Group.

3. Establish and maintain separate and consolidated sets of accounts

Section 4.1(c) of the Code requires Service Providers to establish and maintain separate accounts for the activity that is the subject of each Access Arrangement.

Section 4.1(d) of the Code requires Service Providers to establish and maintain a consolidated set of accounts for all the activities undertaken by the Service Provider.

NT Gas has established and maintains a separate set of accounts for services provided by means of the ABDP.

NT Gas has established and maintains a consolidated set of accounts for the entire business of NT Gas as required under the *Corporations Act 2001*.

4. Allocation of shared costs

Section 4.1(e) of the Code requires Service Providers to allocate costs in a fair and reasonable manner that is consistent with the principles in section 8.1 of the Code.

- The direct costs of managing, operating and marketing the ABDP are charged directly to NT Gas;
- Labour and labour-related costs and corporate overheads are allocated on the basis of actual man-hours worked in respect of the ABDP. This allocation of shared costs to pipelines to which NT Gas provides services is on a fair and reasonable basis.

5. Treatment of Confidential Information

Under sections 4.1(f) and (g) of the Code, Service Providers must ensure that:

- *Confidential Information provided by a user or prospective user is used only for the purposes for which it was provided and is not disclosed without the user or prospective user's consent; and*
- *Confidential Information obtained by a Service Provider which might reasonably be expected to materially affect the commercial interests of a user or prospective user is not disclosed to any other person without the permission of the user or prospective user to whom the information pertains.*

Note that where functions of the Service Provider have been outsourced to a third party, the Service Provider is responsible for ensuring that any Confidential Information provided to the third party is handled in accordance with sections 4.1(f) and (g) of the Code.

- All staff involved with the management and operation of the ABDP provide services under contract. NT Gas has required that all contractors having access to Confidential Information observe the requirements of the Code in relation to such Confidential Information. In particular, Agility, which provides a range of management, operations and regulatory services to NT Gas, has advised NT Gas that it is aware of, and complies with, its obligations to maintain the confidentiality of all information/data that may come into its possession while providing such services to NT Gas;

- NT Gas offices are secured;
- NT Gas' computer network has security arrangements which provide access only to approved personnel;
- NT Gas reviews its procedures and policies annually, and these are part of a quality system certified to AS 9001;
- Code requirements are reinforced by NT Gas's Ringfencing Policy. Under that Policy, new staff receive training which is appropriate to their duties, and existing staff receive periodic refresher training; and
- Quarterly Code compliance reviews reinforce management awareness of obligations relating to confidential information.

6. Marketing Staff

Service Providers must ensure that:

- *their Marketing Staff (essentially those directly involved in sales, sale provision or advertising for the Service Provider) are not also working for an Associate that takes part in a Related Business (section 4.1(h) of the Code); and*
- *the Marketing Staff of an Associate involved in a Related Business are not also working for the Service Provider (section 4.1(i) of the Code).*

Note that in answering the questions below, the broadest possible meaning is to be given to 'servants, consultants, independent contractors or agents'.

NT Gas Distribution Pty Limited, which operates as a bundled utility and therefore carries on a Related Business, is an Associate of NT Gas. The Commission has granted a waiver to NT Gas of the obligations of sections 4.1(h) and (i) of the Code in relation to the provision of services by the Marketing Staff of NT Gas to NT Gas Distribution.

Other than the provision of services to NT Gas Distribution pursuant to the above mentioned waiver:

- Marketing Staff of NT Gas are not staff of an Associate involved in a Related Business; and
- No servants, consultants, contractors or agents of NT Gas are Marketing Staff of an Associate involved in a Related Business.

The NT Gas Associate APT Parmelia also takes part in a Related Business (ie the buying and selling of natural gas except for operational purposes). None of NT Gas's marketing staff are servants, consultants, independent contractors or agents provide services to APT Parmelia (located in Western Australia).

Attachment 1:

The table below indicates NT Gas Associates under the Code. These entities were all wholly owned subsidiaries of APT Pipeline Limited on 30 June 2006, with the exception that NT Gas Pty Limited and NT Gas Distribution Pty Limited are not wholly owned.

Name of Each Associate	Business Carried On	Regulated Assets Owned (Name)
Corporate		
Australian Pipeline Limited ACN 091 344 704	Responsible entity for the Australian Pipeline Trust.	
APT Pipelines Limited ACN 009 666 700	Parent investment company.	
APT Management Services Pty Limited ACN 091 668 110	Provision of staff and administration to subsidiaries.	
APT Pipelines (Operations) Pty Ltd ACN 114 302 091	No activities. In the process of being deregistered.	
APT Pipelines (TTP Investments) Pty Limited ACN 108 473 070	No activities. In the process of being deregistered.	
APT Pipelines (TTP) Pty Limited ACN 107 983 335	No activities. In the process of being deregistered.	
Moomba to Sydney Pipeline		
Trans Australia Pipeline Pty Limited ACN 006 699 378 (formerly ACN 006 699 378 Pty Limited)	Holds shares in Gasinvest Australia Pty Limited (MSP).	
Gasinvest Australia Pty Limited ACN 065 055 478	Holds shares in East Australian Pipeline Limited (MSP).	
Agex Pty Limited ACN 008 458 580	Holds shares in APT Pipelines Investments (NSW) Pty Limited Holds shares in NT Gas Pty Limited. Unitholder in Amadeus Gas Trust.	
APT Pipelines Investments (NSW) Pty Limited ACN 065 070 966	Holds shares in East Australian Pipeline Limited (MSP).	

Name of Each Associate	Business Carried On	Regulated Assets Owned (Name)
East Australian Pipeline Limited ACN 064 629 009	Owens and operates gas pipeline.	Moomba – Sydney Pipeline (MSP). Not covered from Moomba to Marsden and Wagga Wagga to Culcairn
Central West Pipeline		
APT Pipelines (NSW) Pty Limited ACN 080 842 360	Owens and operates gas pipeline.	Central West Pipeline.
Roma to Brisbane Pipeline		
Sopic Pty Limited ACN 010 851 288	Holds shares in APT Petroleum Pipelines Holdings Pty Limited. Holds shares in NT Gas Pty Limited. Unitholder in the Amadeus Gas Trust	
APT Petroleum Pipelines Holdings Pty Limited ACN 009 738 489	Holds shares in APT Petroleum Pipelines Limited (RBP).	
APT Petroleum Pipelines Limited ACN 009 737 393	Owens and operates gas pipeline.	Roma – Brisbane Pipeline (RBP) and Peat Lateral (covered from January 2006)
Carpentaria Gas Pipeline and Cannington lateral		
Roverton Pty Limited ACN 011 071 917	Owens and operates gas pipeline.	70% interest in Carpentaria Gas Pipeline Also 100% ownership of MIM Lateral and Mica Creek Meter Station (not covered)
APT Pipelines (QLD) Pty Limited ACN 080 382 387	Owens and operates gas pipeline.	30% interest in Carpentaria Gas Pipeline Also 100% interest in Cannington Lateral (not covered)

Name of Each Associate	Business Carried On	Regulated Assets Owned (Name)
Amadeus Basin to Darwin Pipeline (Note NT Gas Pty Limited and NT Gas Distribution Pty Limited are not wholly owned subsidiaries of APT Pipeline Limited)		
Agex Pty Limited ACN 008 458 580	As above, under the Moomba to Sydney Pipeline.	
Sopic Pty Limited ACN 010 851 288	As above, under the Roma to Brisbane Pipeline.	
NT Gas Pty Limited ACN 050 221 415	Trustee for Amadeus Gas Trust; owns and operates gas pipelines.	Amadeus Basin – Darwin Pipeline.
Other NT Pipelines		
NT Gas Distribution Pty Limited ACN 071 741 618	Owens gas distribution system; retails gas to customers.	Darwin City Gate – Berrimah Pipeline and Darwin Distribution Network (not covered). Katherine sleeper factory lateral (not covered). Tenant Creek sleeper factory lateral (not covered).
APT Pipelines (NT) Pty Limited ACN 075 733 336	Owens gas pipelines.	MT. Todd and Mataranka Laterals (not covered).
NT Gas Easements Pty Limited ACN 051 412 643	Holds pipeline easements in NT.	Various easements for Amadeus Basin – Darwin Pipeline.
APT Bonaparte Pty Limited ACN 120 164 650	Has entered into a contract to construct a new pipeline in the Northern Territory	
BGP Asset Pty Limited ACN 120 164 678	No activities	
Goldfields Gas Pipeline		
APT Pipelines Investments (WA) Pty Limited ACN 081 638 244	Holds 55% interest in SCP Investments (No.1) Pty Limited (GGT). Holds 100% interest in Western Australian Gas Transmission	

Name of Each Associate	Business Carried On	Regulated Assets Owned (Name)
Western Australian Gas Transmission Company 1 Pty Limited ACN 081 780 387	Holds 100% of APT Goldfields Pty Limited Holds 100% of APT Parmelia Gas Pty Limited Holds 100% of APT Parmelia Holdings	
APT Goldfields Pty Limited ACN 084 545 344	Holds 45% interest in SCP Investments (No.1) Pty Limited (GGT).	
SCP Investments (No.1) Pty Limited ACN 084 521 817	Holds shares in SCP Investments (No.2) Pty Limited and SCP Investments (No.3) Pty Limited and Goldfields Gas Transmission Pty Limited (GGT).	
SCP Investments (No.2) Pty Limited ACN 084 521 951	Holds shares in Southern Cross Pipelines Australia Pty Limited (GGT).	
SCP Investments (No.3) Pty Limited ACN 085 991 984	Holds shares in Southern Cross Pipelines (NPL) Australia Pty Limited (GGT).	
Goldfields Gas Transmission Pty Limited ACN 004 273 241	Operates gas pipelines (for GGT).	
Southern Cross Pipelines Australia Pty Limited ACN 084 521 997	Holds an interest in Goldfields Gas Pipeline. Holds 100% of Kalgoorlie Kambalda lateral.	62.7% interest in Goldfields Gas Pipeline (GGT). 100% interest in Kalgoorlie Kambalda lateral.
Southern Cross Pipelines (NPL) Australia Pty Limited ACN 085 991 948	Holds an interest in Goldfields Gas Pipeline.	25.5% interest in Goldfields Gas Pipeline (GGT).

Name of Each Associate	Business Carried On	Regulated Assets Owned (Name)
Parmelia Pipeline		
Western Australian Gas Transmission Company 1 Pty Limited ACN 081 780 387	As above under Goldfields Gas Pipeline.	
APT Parmelia Gas Pty Limited ACN 098 386 317	No activities.	
APT Parmelia Holdings Pty Limited ACN 115 930 768	Holds 100% of APT Parmelia	
APT Parmelia Pty Limited ACN 078 902 397	Owens gas pipeline, retails gas to customers.	Owens 100% of Parmelia pipeline (not covered)
Other WA Pipelines		
APT Pipelines (WA) Pty Limited ACN 066 343 584	Owens interests in gas pipeline/laterals in WA and provides management services for pipeline assets.	Owens Westlime Lateral, Wiluna Lateral and 50% of Mid West Pipeline. (not covered)
Murraylink		
APT Energy Pty Limited ACN 118 894 769	Ownership of Murraylink electricity transmission asset	Ownership of regulated Murraylink electricity transmission asset
Murraylink (No 1) Pty Limited ACN 095 833 462		
Murraylink (No 2) Pty Limited ACN 095 760 375		
Murraylink Transmission Company Pty Limited ACN 089 875 605		
Murraylink Transmission Partnership ACN 095 760 375		