

14 November 2024

AER Compliance

By email: [AERCompliance@aer.gov.au](mailto:AERCompliance@aer.gov.au)

To whom it may concern:

**Re: Darwin Distribution System ring fencing waiver**

APT Pipelines NT Pty Ltd (**APTNT**) owns N.T. Gas Distribution Pty Ltd (**NT Gas Distribution**), which owns and operates the Darwin gas distribution system in the Northern Territory (the **Darwin Distribution System**).

S 140 of the National Gas Law provides:

**140—Marketing staff and the taking part in related businesses**

- (1) On and after the compliance date, a covered pipeline service provider must ensure that none of its marketing staff are officers, employees, consultants, independent contractors or agents of an associate of the covered pipeline service provider that takes part in a related business.
- (2) On and after the compliance date, a covered pipeline service provider must ensure that none of its officers, employees, consultants, independent contractors or agents are marketing staff of an associate of the covered pipeline service provider that takes part in a related business.

NT Gas Distribution carries on a related retail business of buying and selling gas for the purposes of supplying customers on the Darwin Distribution System.

In August 2011, the AER granted a ring fencing waiver to APTNT under s146 of the National Gas Law. The AER final decision reads:

In accordance with section 146(2)(b) of the NGL, the AER exempts APTNT from the ring fencing obligations under s. 140 of the NGL. Consistent with its draft decision, the AER considers that the cost APTNT would incur in complying with s. 140 of the NGL would outweigh any public benefit from meeting these obligations.

The AER's advice to APTNT dated 16 August 2011, advising the grant of the exemption, reads:

The final decision exempts APTNT from its ring fencing obligations under s140 of the NGL. This exemption will allow staff of APTNT to undertake marketing and sales work for NT Gas Distribution, being an associate entity that takes part in a related business.

APTNT wishes to advise the AER that, from 31 December 2024, NT Gas Distribution will no longer be involved in the purchase or sale of natural gas for delivery on the Darwin Distribution System, and will therefore no longer be taking part in a related business.

APTNT therefore advises the AER that the requirement for the s140 exemption no longer applies, and requests the repeal of the ring fencing exemption in accordance with NGL Schedule 2 s20.

We would be pleased to discuss any questions or comments that may arise. Please contact me in the first instance on [REDACTED], [REDACTED], or by email at [REDACTED].

Yours sincerely,

[REDACTED]  
Senior Regulatory Manager