



Statement of Compliance for the period:

1 July 2019 to 30 June 2020

APT Petroleum Pipelines Pty Limited

ACN 009 737 393

APT Petroleum Pipelines Pty Limited – Roma to Brisbane Pipeline

1. Attached is the information sought by the Australian Energy Regulator (AER) Annual Compliance Order dated 7 November 2008 (Annual Compliance Order). This information is in the format set out in Attachment 1 of the Annual Compliance Order.
2. This information is for the year ending 30 June 2020.
3. The information and documentation provided in compliance with the Annual Compliance Order is accurate and can be relied on to provide a true and fair representation of the service provider's operations and ownership of the pipeline and can be relied upon by the AER in the performance or exercise of its functions or powers under the National Gas Law or the National Gas Rules.
4. The information and documentation provided in compliance with the Annual Compliance Order is, in its reliance on information and documentation that is prepared, kept or maintained, accurately represented.
5. The information and documentation provided in compliance with the Annual Compliance Order is not false or misleading.
6. The information and documentation provided in compliance with the Annual Compliance Order is complete.
7. The Board of Directors of APT Petroleum Pipelines Pty Limited approved this report at the APT Petroleum Pipelines Pty Limited board meeting on 26 October 2020.

Signed: [signed]

Name: Robert A Wheals

DIRECTOR

Date: 28 October 2020



Matters to be specifically addressed annually by service providers and related providers

AER Annual Compliance Order Report

APT Petroleum Pipelines Pty Limited ACN 009 737 393

1 July 2019 to 30 June 2020

Introductory Statement

APT Petroleum Pipelines Pty Limited (APT Petroleum Pipelines) is not aware of any breach of any of the obligations in the National Gas Law and National Gas Rules other than any that are detailed in this report.

APT Petroleum Pipelines 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 the National Gas Law and National Gas Rules;
- (b) the Board of Directors of APT Petroleum Pipelines is made aware of any breaches of the obligations;
- (c) remedial action is taken as soon as possible to rectify any breaches of the obligations and that completion of this action is reported to the Board of Directors; and
- (d) the compliance program is reviewed regularly and as necessary.

Annual Compliance Order requirement	APT Petroleum Pipelines response
<p>1. General duties for the provision of pipeline services of covered pipeline services by a service provider</p>	
<p>1.1 Legal entity</p>	
<p>(a) <i>Nominate the type of legal entity the service provider is according to the specified kinds of legal entity in section 131 of the NGL.</i></p>	<p>APT Petroleum Pipelines Pty Limited ACN 009 737 393 is a legal entity registered under the Corporations Act 2001 of the Commonwealth.</p>
<p>(b) <i>What is the registered business name and ABN of the service provider legal entity providing the covered pipeline service?</i></p>	<p>The registered business name of the legal entity providing the covered pipeline service is APT Petroleum Pipelines Pty Limited. The ABN is 39 009 737 393.</p>
<p>(c) <i>Provide an outline of the group structure which is controlled by or which the service provider is a part (including identification of the head company, nature of investment or entity, relationship to the service provider and proportion of assets owned/share of investment within the group). This should include any assets (businesses) it owns or that own it. The group structure should include business that are beneficially controlled such as trustee companies, jointly owned or operated business such as partnerships or joint ventures, businesses that are significant investments or controlled. This can also be represented as an organisational chart.</i></p>	<p>The service provider is part of the APA Group. An organisational chart setting out the APA Group structure, and showing the service provider, is provided in Appendix 1.</p>
<p>1.2 Preventing or hindering access</p>	
<p>(a) <i>Is the service provider aware of any claims that it has prevented or hindered access to services on the covered pipeline within the terms of section 133 of the NGL?</i></p>	<p>The service provider is not aware of any claims it has prevented or hindered access to services on the covered pipeline within the terms of section 133 of the National Gas Law.</p>
<p>1.3 Supply and haulage of natural gas</p>	
<p>(a) <i>Does a producer supply natural gas through the covered pipeline at a place other than the exit flange of the producer's processing plant?</i></p>	<p>One or more of the users on the pipeline may be "producers" as that term is defined in the National Gas Law. Those persons may supply natural gas to other parties either at delivery points on the pipeline (including a notional trading point) or through downstream distribution networks.</p>



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1.4 Queuing requirements

(a) <i>Has the service provider complied with the queuing requirements of the applicable access arrangement during the year?</i>	The service provider has complied with the queuing requirements of the Roma Brisbane Pipeline Access Arrangement.
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1.5 Service provider providing light regulation services must not price discriminate

(a) <i>Does the service provider provide light regulation services?</i>	The service provider does not provide light regulation services.
(b) <i>If so, are there any differences in the prices of the provision of those services? Please provide an explanation as to why these price differences exist.</i>	Not applicable.

2. Structural and Operational Separation Requirements (Ring Fencing)

2.1 Carrying on of a related business

(a) <i>Provide a list of associates of the service provider that take part in a related business and for each associate describe what the nature of the related business is.</i>	<p>APA Group's business model is the ownership and operation of energy infrastructure. The production, purchase and sale of natural gas are not parts of this business model. Where they occur, it is either incidental to the business of APA Group entities or a legacy of businesses which have been acquired by APA.</p> <p>APT Petroleum Pipelines Pty Limited's business is the ownership and operation of the Roma to Brisbane Pipeline. APT Petroleum Pipelines Pty Limited does not produce natural gas and does not purchase or sell natural gas other than for operational purposes.</p> <p>APT Petroleum Pipelines Pty Limited does not have any associates which take part in a related business other than the following associates:</p> <ul style="list-style-type: none"> • N.T. Gas Distribution Pty Limited <p>N.T. Gas Distribution Pty Limited (100 percent owned by APT Pipelines (NT) Pty Limited) operates as a bundled utility and therefore carries on a related business. The AER has granted a waiver to APT Pipelines (NT) Pty Limited in relation to the provision of services by the marketing staff of APT</p>
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Pipelines (NT) Pty Limited to N.T. Gas Distribution Pty Limited.

- APT Facility Management Pty Limited

APT Facility Management Pty Limited buys and sells gas for the purposes of electricity generation and the operation of natural gas vehicles.

APT Facility Management Pty Limited buys gas for natural gas vehicles in Western Australia. The gas, once purchased, is compressed and sold as compressed natural gas to bus operators at various bus depots.

APT Facility Management Pty Limited bought natural gas in Western Australia and has contracted for a storage service at the Mondarra Gas Storage Facility in order to store this gas prior to its eventual resale. While stored in Mondarra, the gas can be used as additional base/cushion gas.

- APA Facilities Management Pty Limited

APA Facilities Management Pty Limited buys and sells gas for the purpose of supplying liquefied natural gas for vehicles and stationary applications (e.g. replacing diesel for power generation at remote mines) from Dandenong in Victoria. The gas, once purchased, is liquefied by a third party on APA's behalf and then sold by APA Facilities Management Pty Limited as liquefied natural gas to LNG customers who then deliver the product to their end users or re-distribution outlets (e.g. petrol stations). APA Facilities Management Pty Limited holds an exemption from the retail regulations associated with the sale of LNG from the Dandenong facility.

- Diamantina Power Station Pty Limited

Diamantina Power Station Pty Limited purchases gas under a long term supply arrangement. Currently, this gas is on-sold to a major user for its tolling (electricity generation) purposes.

<p>(b) Provide a list of associates that are service providers and/or provide pipeline services.</p>	<p>A list of relevant associates of the service provider is provided in a table in Appendix 2. This table outlines the nature of the associates' activities and whether they are service providers and/or provide pipeline services.</p>
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2.2 Marketing staff and the taking part in related businesses

<p>(a) <i>Provide a list of associates of the service provider that are directly involved in the sale, marketing or advertising of pipeline services.</i></p>	<p>A list of relevant associates of the service provider is provided in a table in Appendix 2. This table outlines the nature of the associates' activities and whether they are involved in the sale, marketing or advertising of pipeline services.</p>
<p>(b) <i>Provide a statement as to whether or not any of the service provider's marketing staff are also officers, employees, consultants, independent contractors or agents of an associate of the service provider that takes part in a related business.</i></p> <p>(c) <i>Provide a statement as to whether or not any of the service provider's officers, employees, consultants, independent contractors or agents are also marketing staff of an associate of the service provider that takes part in a related business.</i></p>	<p>APA Group staff are employed in several subsidiaries. APA assigns staff to undertake sales, marketing and advertising activities for the Roma to Brisbane Pipeline. The staff are located in APA's offices in Brisbane and Sydney. These persons may be:</p> <ul style="list-style-type: none"> • marketing staff of APT Petroleum Pipelines Pty Limited (as they may be within the definition of "officers" or "agents" of APT Petroleum Pipelines Pty Limited) and/or • marketing staff of an associate of APT Petroleum Pipelines Pty Limited (as they may be employees of the associate and could also be within the definition of "officers" of the associate). <p>None of APT Petroleum Pipelines Pty Limited's marketing staff are officers, employees, consultants, independent contractors or agents or otherwise provide services to associates which take part in a related business.</p> <p>None of APT Petroleum Pipelines Pty Limited's officers, employees, consultants, independent contractors or agents are marketing staff of an associate that takes part in a related business.</p>

2.3 Separate accounts must be prepared, maintained and kept

<p>(a) <i>Provide a statement as to whether or not the service provider has prepared, maintained and kept a separate set of accounts in respect of the services provided by every covered pipeline owned or operated by the service provider.</i></p>	<p>The service provider has prepared, maintained and kept a separate set of regulatory accounts in respect of the services provided by the Roma Brisbane Pipeline.</p>
<p>(b) <i>Name the legal entity or entities in which the separate accounts are reported, maintained</i></p>	<p>The separate regulatory accounts are kept by APT Petroleum Pipelines Pty Limited.</p>

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or kept for the services provided by each covered pipeline owner or operator.

<p>(c) <i>Provide a statement as to whether or not the service provider has prepared, maintained and kept a consolidated set of accounts in respect of the whole of the business of the service provider.</i></p>	<p>A consolidated set of financial statements has been kept in respect of the whole of the business of the service provider.</p>
<p>(d) <i>Name the legal entity in which the consolidated set of accounts are reported, maintained or kept for the services provided by each covered pipeline owner or operator?</i></p>	<p>The consolidated financial statements in respect of the whole of the business of the service provider are reported by Australian Pipeline Limited, which reports for Australian Pipeline Trust and its controlled entities (APA Group).</p>
<p>(e) <i>Provide a copy of the most recently lodged annual financial reports with the Australian Securities and Investments Commission or if no such reports exists other similar audited financial reports prepared for or provided to a state or territory department, agency or body under relevant state or territory legislation. These financial reports may be the consolidated set of accounts in respect to the whole of the business of the service provider, and if also separately lodged with the Australian Securities and Investments Commission the most recently lodged annual separate set of accounts in respect of the services provided by the service provider.</i></p>	<p>Copies of the APA Group annual financial reports lodged with the Australian Securities and Investment Commission are attached at Appendix 3.</p> <p>No separate financial reports for APT Petroleum Pipelines Pty Limited have been lodged with the Australian Securities and Investment Commission since 2005.</p>

2.4 Additional ring fencing requirements or exemptions

<p>(a) <i>Does the service provider have any additional ring fencing requirements?</i></p>	<p>The service provider does not have any additional ring fencing requirements.</p>
<p>(b) <i>What are these requirements?</i></p>	<p>Not applicable.</p>
<p>(c) <i>Provide a statement that these additional ring fencing requirements have or have not been met.</i></p>	<p>Not applicable.</p>
<p>(d) <i>Does the service provider have any exemptions for the minimum ring fencing requirements?</i></p>	<p>The service provider does not have any exemptions for the minimum ring fencing requirements.</p>

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(e) What are these exemptions?	Not applicable.
(f) By what jurisdictional regulator and when where these exemptions granted?	Not applicable.

2.5 Associate contracts

Note: An 'associate contract' is defined under the NGL to include arrangements or understandings and is not limited to written contracts.

(a) Has the service provider entered into or given effect to any new associate contracts, or varied the terms and conditions of an existing associate contract?	The service provider has not entered into, or given effect to, any new associate contracts, or varied the terms and conditions of any existing associate contract.
(b) For each new or varied associate contract, please indicate the date the new or varied associate contract was entered into or given effect?	Not applicable.
(c) For each new or varied associate contract, please indicate if the contract or variation was approved by the AER and the date that it was approved?	Not applicable.
(d) If the associate contract was not approved by the AER, please indicate what date the new or varied associate contract was provided to the AER?	Not applicable.

3. Other requirements

3.1 Making access arrangement or terms and conditions of access available

(i) Ensuring applicable access arrangement and other specified information is available on website.	
(a) Has the service provider published the approved access arrangement on its website?	The service provider has published the Access Arrangement and Access Arrangement Information on the APA Group website.
(b) Please provide the website address where this	The service provider's current access arrangement



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<p><i>access arrangement can be accessed and the date that this access arrangement was provided on the website.</i></p>	<p>can be found at: https://www.apa.com.au/our-services/gas-transmission/east-coast-grid/roma-brisbane-pipeline/</p> <p>This document was first placed on the website in November 2017.</p>
<p>(c) <i>Has the service provider received any requests from the AER to provide to prospective users generally other information specified as reasonably necessary to determine if access should be sought.</i></p>	<p>The service provider has not received any requests from the AER to provide to prospective users other information specified as reasonably necessary to determine if access should be sought.</p>
<p>(d) <i>Please provide details of when and how this request was met.</i></p>	<p>Not applicable.</p>
<p>(ii) Publishing approved competitive tender process access arrangement</p>	
<p>(a) <i>Where there is an approved competitive tender process access arrangement in place for a covered pipeline, has the service provider published the approved access arrangement on its website?</i></p>	<p>Not applicable.</p> <p>The Roma to Brisbane Pipeline is not a competitive tender pipeline.</p>
<p>(b) <i>Please provide the website address where this access arrangement can be accessed and the date that this access arrangement was provided on the website.</i></p>	<p>Not applicable.</p>
<p>(iii) Publishing terms and conditions of access to light regulation services</p>	
<p>(a) <i>Where there is access to light regulation services on a covered pipeline, has the service provider published tariffs and other terms and conditions for these services on its website?</i></p>	<p>Not applicable.</p> <p>The Roma to Brisbane Pipeline does not provide light regulation services.</p>
<p>(b) <i>Please provide the website address where this information can be accessed and the date that this information was first made available on the website.</i></p>	<p>Not applicable.</p>
<p>(c) <i>Has the service provider had access negotiations regarding light regulation</i></p>	<p>Not applicable.</p>



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services? If so, the following will need to be reported, the name of the party requesting the service, the pipeline service requested, and the outcome of the access negotiations.

3.2 Access determinations

(a) <i>Has the service provider been party to an access determination?</i>	The service provider has not been party to an access determination.
(b) <i>When did the access determination become operative?</i>	Not applicable.
(c) <i>For what period is the access determination in place?</i>	Not applicable.

3.3 Confidentiality

(a) <i>Provide a statement that the confidentiality requirements under rule 137 of the National Gas Rules have or have not been met.</i>	<p>The confidentiality requirements under rule 137 of the National Gas Rules have been met.</p> <p>The service provider did not disclose relevant confidential information or use relevant confidential information for a purpose other than the purpose for which the information was given to the service provider.</p> <p>The service provider took all practicable steps to protect relevant confidential information in the service provider's possession against improper disclosure or use.</p> <p>See further information below in relation to post 30 June events.</p>
(b) <i>Has the service provider established an internal protocol or policy guideline or procedure manual for the handling of confidential information?</i>	<p>APT Petroleum Pipelines Pty Limited is part of the APA Group. Employees of APA who are involved with the Roma to Brisbane Pipeline have been informed of their obligations with respect to confidential information. Quarterly compliance reviews reinforce awareness of these obligations. Employees are required to sign confidentiality agreements upon commencement and standard employment contracts contain confidentiality obligations.</p> <p>APA has also required contractors having access to confidential information to observe the requirements of the National Gas Law in relation to</p>



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such confidential information.

APA monitors compliance performance, including compliance with confidentiality obligations, quarterly. This monitoring is undertaken by the General Manager Strategy and Regulatory, and relevant commercial personnel associated with the assets. The results are reported to the Board.

More generally all APA employees are required to comply with the APA Code of Conduct, which explicitly addresses appropriate treatment on confidential and proprietary information, including customer information. Employment agreements also include conditions relating to confidentiality.

In addition, access to APA computer systems is through individual passwords and user names. Passwords are changed at periodic intervals. Firewall protection is in place to prevent unauthorised access to electronically stored information via the internet.

APA offices are secured.

A copy of the APA Group's Ring-fencing Policy for covered pipelines and related businesses is provided in Appendix 4.

3.4 Bundling

(a) <i>Has the service provider bundled any of its services when providing access or negotiating access with a prospective user?</i>	The service provider has not bundled any of its services when providing access or negotiating access with a prospective user.
(b) <i>If so, provide a description of the bundled services and related conditions of access.</i>	Not applicable.

In relation to post 30 June events we report the following 2 matters relevant to item 3.3(a):

- On 12 July 2020 (post the current reporting period), an incident occurred in which APA inadvertently sent shipper nomination information, intended for APA commercial operations team, to a shipper. The information included confidential volumetric, but not financial, information.

Once APA became aware of the inadvertent transmission of this information, APA immediately contacted the recipient, who advised that they had not opened the errant email, and undertook to delete it from their system.

While the error in this event related to a non-scheme pipeline data, it potentially disclosed data of an RBP customer.



The key contributing factor to this incident was the increased use of ad hoc email communications between commercial operations staff applied in the current covid-19 work-from-home environment in place of normal systems that assume office co-location.

APA promptly notified the AER and commenced undertaking changes to our email communications systems and protocols to prevent similar incidents occurring in the future.

2. While the above email protocol changes were being designed and implemented, a similar incident occurred on 6 August 2020 (post the current reporting period), in which APA inadvertently sent RBP nomination information relating to one shipper, intended for our commercial operations team, to another shipper. The information included confidential volumetric, but not financial, information.

Once APA became aware of the inadvertent transmission of this information, APA attempted (unsuccessfully) to recall the errant message. The inadvertent recipient advised APA of the error promptly and undertook to delete the email from their system.

APA promptly notified the AER about this incident and the changes being implemented to the APA email system to prevent further occurrences.