

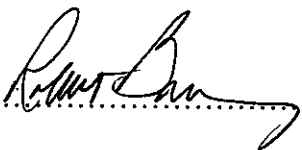
Statement of Compliance

Queensland Gas Pipeline

Statement of Compliance for Alinta DQP Pty Ltd for the financial year 2004/05


1. Attached is the annual Ring Fencing Compliance Report for the year ending 30 June 2005.
2. Alinta DQP Pty Ltd 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. Alinta DQP Pty Ltd 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 Chief Executive Officer of Alinta DQP Pty Ltd 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;
 - (e) the compliance program is reviewed regularly and as necessary.
4. The Board of Directors of Alinta DQP Pty Ltd has approved this report.

Signed by:



Robert Browning
Chief Executive Officer
Alinta DQP Pty Ltd

Date: 22 August 2005



Murray King
Director
Alinta DQP Pty Ltd

Date: 22 August 2005

Ring Fencing Compliance Report

Queensland Gas Pipeline

Ring Fencing Compliance Report for Alinta DQP Pty Ltd - 2004/05

Compliance with minimum ring fencing obligations

Alinta DQP Pty Ltd 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.

Alinta DQP Pty Ltd 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.

1. Service Provider is a legal entity

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

Alinta DQP Pty Ltd (ACN 083 050 284) is the legal and beneficial owner of 75% of the Queensland Gas Pipeline via the Queensland Pipeline Partnership with Alinta DEQP Pty Ltd (ACN 083 050 284). Alinta DQP Pty Ltd is a legal entity registered under the Corporations Law.

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).

The Alinta Limited group of companies provides comprehensive integrated wholesale and retail energy services to the market. Alinta's company structure ensures that certain activities are strictly quarantined. The responsibility for managing wholesale gas sales in south east Australia lies with a separate legal entity Alinta EATM Pty Ltd (ACN 083 050 168), while gas sales in Western Australia is undertaken by Alinta Sales Pty Ltd (ACN 089 531 984). As such, Alinta DQP Pty Ltd is not involved in the business of producing, purchasing or selling natural gas as prescribed by the Code.

The table below identifies all the Alinta DQP Pty Ltd Associates with any involvement in natural gas:

Associates with any involvement in natural gas:

Entity	Business carried on	Assets owned
Alinta DAO Pty Ltd	Pipeline and power station operator	N/A
Alinta DEQP Pty Ltd (formerly DEI Queensland Pipeline Pty Ltd)	Transmission	25% of Queensland Gas Pipeline

Alinta DENSWGH Pty Ltd (formerly Duke Energy NSW Gas Holdings Pty Ltd)	Holding company	Holding company of Alinta DEGP Pty Ltd and Alinta DEEGP Pty Ltd.
Alinta DTH Pty Ltd (formerly DEI Tasmania Holdings Pty Ltd)	Transmission	Tasmanian Gas Pipeline
Alinta EH Pty Ltd (formerly Duke Energy Australian Holdings Pty Ltd)	Holding company	Holding company of Alinta DEQP Pty Ltd, Alinta DQP Pty Ltd Pty Ltd, Alinta DAO Pty Ltd, Alinta EA Pty Ltd, Alinta EAC Pty Ltd, and Alinta EATM Pty Ltd (85.487% interest).
Alinta DVH Pty Ltd (formerly DEI Vic Hub Pty Ltd)	Trading hub	Vic Hub
Alinta EATM Pty Ltd (Duke Energy Australia Trading and Marketing Pty Ltd)	Trading and marketing	N/A
Alinta EAC Pty Ltd (formerly Duke Energy Australia Commodities Pty Ltd)	Holding company	14.513% owner of Alinta EATM Pty Ltd
Alinta EA Pty Ltd (formerly Duke Energy Australia Pty Ltd)	Administration	N/A
Alinta DEGP Pty Ltd (formerly DEI Eastern Gas Pipeline Pty Ltd)	Transmission	50% interest in the Eastern Gas Pipeline
Alinta DEEGP Pty Ltd (formerly Duke Eastern Gas Pipeline Pty Ltd)	Transmission	50% interest in the Eastern Gas Pipeline
Alinta DEWAH Pty Ltd (formerly Duke Energy WA Holdings Pty Ltd)	Holding company	Holding company of Alinta DEWAP Pty Ltd and 1% interest in the Port Headland and Newman Power Stations.
Alinta DEWAP Pty Ltd (formerly Duke Energy WA Power Pty Ltd)	Transmission	11.843% interest in the Goldfield Gas Transmission Pipeline and 99% interest in the Port Headland and Newman Power Stations.
Alinta Network Services Pty Ltd	Operations and maintenance of pipelines	N/A
Alinta Sales Pty Ltd	Gas supply and sales in Western Australia.	Wholly owned subsidiary of Alinta Ltd.
AlintaGas Networks Pty Ltd	Distribution	Alinta Ltd has a 74.1% interest in AlintaGas Networks Pty Ltd.

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.

A separate set of accounts is established and maintained in respect of the services of the Queensland Gas Pipeline.

A consolidated set of accounts is prepared which identifies Alinta DQP Pty Ltd's 75% ownership of the Queensland Gas Pipeline.

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.

Within the Alinta Energy Holdings Pty Ltd (ACN 108 311 440) group of companies (all part of the Alinta Limited corporate group) shared costs are allocated according to an allocation policy which is consistent with section 8.1 of the Code. This policy seeks to provide a consistent basis for allocating shared costs using a combination of factors including earnings, staff numbers and business complexity.

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.

Alinta Limited has an established ring fencing policy and procedure. The Alinta group requires as a condition of employment that these policies and procedures must be complied with. The objectives of these ring fencing policies and procedures are:

- Provision of training and support to all staff;
- Regular monitoring of compliance;
- Identification of instances on non-compliance;
- The adoption of measures to prevent non-compliance; and
- Reviews of the effectiveness of the system.

Policy and procedure 1 under this policy contains policies and procedures in relation to the use and protection of confidential information.

In order to ensure that the policy is performing effectively every two years a detailed review of the Ring Fencing Policy and Procedures is undertaken.

Compliance with the policy and procedures is monitored in two ways. The first is the completion by appropriate personnel of a written statement of compliance and the second is via random independent audits conducted by Alinta's Internal Auditor and reported to the Alinta Board Audit and Risk Committee.

During the 2004/05 period Alinta Network Services Pty Ltd undertook the marketing and operation activities of the Queensland Gas Pipeline.

All confidential information received by Alinta Network Services Pty Ltd was strictly controlled in a manner consistent with the Code requirements. All marketing staff were employed by Alinta Network Services Pty Ltd and were located remotely from Associates who work for a Related Business.

With respect to electronic information, computer security protocols were established to ensure that only Alinta Network Services Pty Ltd's marketing staff were able to access such information. Any paper copies of confidential information are kept separately by relevant marketing staff in secure storage facilities. Further, all employees are required to sign confidentiality agreements on commencement of duties. These procedures are monitored on a day to day basis through on going training and awareness processes.

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'.

Alinta DQP Pty Ltd is a holding company for 75% of the QGP. It does not have any employees. During the 2004/05 period, Alinta Network Services Pty Ltd undertook the marketing and operating activities of the Queensland Gas Pipeline.

Alinta Network Services Pty Ltd is committed to ensuring that it does not in any way employ marketing staff of an associate, nor does it allow its marketing staff to work for an associate involved in a related business as prescribed by the Code. Should this inadvertently occur, Alinta Network Services Pty Ltd is committed to removing such staff from their position.

Alinta Limited has an established ring fencing policies and procedure, which as a condition of employment must be complied with. The objectives of these ring fencing policies and procedures are:

- Provision of training and support to all staff;
- Regular monitoring of compliance;
- Identification of instances on non-compliance;

- The adoption of measures to prevent non-compliance; and
- Reviews of the effectiveness of the system.

This policy provides strict guidelines in relation to the employment and activities of Marketing Staff and the procedure deals with the treatment of Marketing Staff including the immediate removal of staff if a contravention inadvertently has or is likely to occur.

In order to ensure that the policy is performing effectively, every two years a detailed review of the Ring Fencing Policy and Procedures is undertaken.

Compliance with the policy and procedures is monitored in two ways. The first is the completion by appropriate personnel of a written statement of compliance and the second is via random independent audits conducted by Alinta's Internal Auditor and reported to the Alinta Board Audit and Risk Committee.