

Allgas Energy Pty Limited

ACN 009 656 446

HSCB Building
Level 19
580 George Street
Sydney NSW 2000
PO Box R41

Royal Exchange NSW 1225

Phone 61 2 9693 0000
Fax 61 2 9693 0093



Statement of Compliance
Statement of Compliance for Allgas Energy Pty Limited ACN 009 656 446 ("Allgas") for the
financial year 2013- 2014

Allgas Energy Pty Limited - Allgas Network

1. Attached is the information sought by the AER Annual Compliance Order dated 7 November 2008 (the 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 June 30 2014.
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 NGL or the NGR.
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 Allgas Energy Pty Limited has approved this report at its meeting on 20 October 2014.

Signed by:

NAME:

DIRECTOR

DATE: 20 October 2014



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

AER Annual Compliance Order Report for Allgas Energy Pty Limited ACN 009 656 446 for the financial year 2013-2014

Introductory Statement

Allgas Energy Pty Limited ("Allgas") 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.

Allgas 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 Allgas 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.

1. General duties for the provision of pipeline services of covered pipeline services by a service provider	
1.1 Legal entity	
(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>	Allgas Energy Pty Limited ACN 009 656 446 is a legal entity registered under the Corporations Act 2001 of the Commonwealth.
(b) <i>What is the registered business name and ABN of the service provider legal entity providing the covered pipeline service?</i>	The registered business name of the legal entity providing the covered pipeline service is Allgas Energy Pty Limited. The ABN is 52 009 656 446.
(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</i>	The service provider is owned by: Energy Investment Two P/L (40%), SAS Trustee Corporation (40%) and APT Pipelines Pty Limited (20%).



<i>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>	
1.2 Preventing or hindering access	
<i>(a) 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>	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 NGL.
1.3 Supply and haulage of natural gas	
<i>(a) 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>	One or more of the users on the distribution network may be "producers" as that term is defined in the NGL. It is likely that those persons supply natural gas to other parties through the distribution network.
1.4 Queuing requirements	
<i>(a) Has the service provider complied with the queuing requirements of the applicable access arrangement during the year?</i>	The service provider has no formal queuing policy in its Access Arrangement.
1.5 Service provider providing light regulation services must not price discriminate	
<i>(a) Does the service provider provide light regulation services?</i>	The service provider does not provide light regulation services.
<i>(b) 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	
<i>(a) 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>	Allgas Energy's sole business is the ownership and operation of the Allgas Network. Allgas Energy does not produce natural gas and does not purchase or sell natural gas other than for operational purposes. GDI (EII) Pty Ltd is not a subsidiary of any one of its shareholders as the subsidiary control



	<p>requirements set out in s.46 of the Corporations Act are not satisfied. As such, Allgas Energy is not subsidiary of, nor a related body corporate to any one of the shareholders of GDI (EII) Pty Ltd (refer to ss.46(b) and 50 of the Corporations Act).</p> <p>The only Associates of Allgas Energy are its related bodies corporate, namely Allgas Toowoomba Pty Limited, Allgas Pipelines Operations Pty Limited and Allgas Pipelines Operations 1 Pty Limited. Allgas Energy confirms that it does not have any associates by virtue of the application of s.15 of the Corporations Act.</p> <p>None of Allgas Energy's Associates take part in a related business.</p> <p>We note for completeness that:</p> <p>APT Pipelines Pty Limited does have related bodies corporate that undertake related businesses. These entities however are not Associates of Allgas Energy.</p> <p>SAS Trustee Corporation is the Trustee of the following defined benefit schemes: State Authorities Superannuation Scheme; State Superannuation Scheme; Police Superannuation and State Authorities Non-contributory Superannuation Scheme. The assets of all four schemes have been combined into the STC Pooled Fund. These schemes however are not Associates of Allgas Energy.</p>
<p>(b) <i>Provide a list of associates that are service providers and/or provide pipeline services.</i></p>	<p>Allgas Energy does not have any Associates that are service providers and/or provide pipeline services.</p> <p>We note for completeness that:</p> <p>APT Pipelines Pty Limited does have related bodies corporate that are service providers and/or provide pipeline services. These entities however are not Associates of Allgas Energy.</p> <p>SAS Trustee Corporation holds passive investments (less than 5%) in businesses that are service providers and/or provide pipeline services. These entities however are not</p>



	Associates of Allgas Energy.
2.2 Marketing staff and the taking part in related businesses	
(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>	Allgas Energy does not have any Associates that are directly involved in the sale, marketing or advertising of pipeline services. We note for completeness that APT Pipelines Pty Limited does have related bodies corporate that are directly involved in the sale, marketing or advertising of pipeline services. These entities however are not Associates of Allgas Energy.
(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>	None of Allgas Energy's marketing staff are officers, employees, consultants, independent contractors or agents or otherwise provide services to associates which take part in a related business.
(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>	None of Allgas Energy's officers, employees, consultants, independent contractors, or agents are marketing staff of an associate that takes part in a related business.
2.3 Separate accounts must be prepared, maintained and kept	
(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>	The service provider has prepared, maintained and kept a separate set of regulatory accounts in respect of the services provided by the covered Allgas Network.
(b) <i>Name the legal entity or entities in which the separate accounts are reported, maintained or kept for the services provided by each covered pipeline owner or operator?</i>	The separate regulatory accounts are kept by Allgas Energy.
(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</i>	A consolidated set of regulatory accounts has been kept in respect of the whole of the business of the service provider. In addition, a consolidated set of financial accounts has been



<i>business of the service provider.</i>	kept in respect of GDI (EII) Pty Limited.
(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>	The name of the legal entity in which the consolidated set of accounts are kept in respect of the whole of the business of the service provider is GDI (EII) Pty Limited.
(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>A copy of the GDI (EII) Pty Limited annual financial reports lodged with the Australian Securities and investment Commission are attached at Appendix 2.</p> <p>No separate financial reports for Allgas have been lodged with the Australian Securities and investment Commission since 2006.</p> <p>Allgas last lodged audited financial statements relating to the covered Allgas network with the Queensland Competition Authority in 2007.</p>
2.4 Additional ring fencing requirements or exemptions	
(a) <i>Does the service provider have any additional ring fencing requirements?</i>	The service provider does not have any additional ring fencing requirements.
(b) <i>What are these requirements?</i>	Not applicable.
(c) <i>Provide a statement that these additional ring fencing requirements have or have not been met.</i>	Not applicable.
(d) <i>Does the service provider have any exemptions for the minimum ring fencing requirements?</i>	The service provider does not have any exemptions for the minimum ring fencing requirements.
(e) <i>What are these exemptions?</i>	Not applicable.
(f) <i>By what jurisdictional regulator and when where these exemptions granted?</i>	Not applicable.
2.5 Associate contracts	
<i>Note: An 'associate contract' is defined under the NGL to include arrangements or understandings and is not limited to written contracts.</i>	



(a) <i>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?</i>	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) <i>For each new or varied associate contract, please indicate the date the new or varied associate contract was entered into or given effect?</i>	Not applicable.
(c) <i>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?</i>	Not applicable.
(d) <i>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?</i>	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) <i>Has the service provider published the approved access arrangement on its website?</i>	The service provider has published the Access Arrangement on the APA Group website.
(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>The service provider's access arrangement can be found at:</p> <p>http://apa.com.au/our-business/economic-regulation/gas-distribution.aspx</p> <p>This document was first placed on the website in July 2011.</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>	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.
(d) <i>Please provide details of when and how this request was met.</i>	Not applicable.



(ii) Publishing approved competitive tender process access arrangement	
(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>	This is not applicable as the Allgas Network is not a competitive tender pipeline.
(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>	Not applicable.
(iii) Publishing terms and conditions of access to light regulation services.	
(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>	This is not applicable as the Allgas Network is not a light regulation pipeline.
(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>	Not applicable.
(c) <i>Has the service provider had access negotiations regarding light regulation 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.</i>	Not applicable.
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</i>	The confidentiality requirements under rule 137 of the National Gas Rules have been met.



<p><i>have not been met.</i></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>(b) <i>Has the service provider established an internal protocol or policy guideline or procedure manual for the handling of confidential information?</i></p>	<p>Allgas Energy under the services agreement with APA Group has specified requirements for dealing with confidential information. Employees of APA who are involved with the Allgas Network have been informed of their obligations with respect to confidential information. Quarterly compliance reviews reinforce awareness of this obligation. 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 NGL in relation to such Confidential Information.</p> <p>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. Employee's employment agreements also include conditions relating to confidentiality.</p> <p>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.</p> <p>APA offices are secured.</p> <p>A copy of the APA Group's Separation Requirements for Covered Pipeline and Related Businesses is provided in Appendix 3.</p>

Allgas Energy Pty Limited
ACN 009 656 446

HSCB Building
Level 19
580 George Street
Sydney NSW 2000
PO Box R41
Royal Exchange NSW 1225

Phone 61 2 9693 0000
Fax 61 2 9693 0093



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.