



Mr Chris Pattas
General Manager
Network Regulation South Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Statement of Compliance - Period 1 July 2016 – 30 June 2017

AusNet Gas Services Pty Ltd (AusNet Gas) ABN 43 086 015 036 lodges this 'Statement of Compliance' as required pursuant to sections 43 – 63 of the National Gas Law.

In accordance with the requirement of the Annual Compliance Order, AusNet Gas confirms that it had an effective system for monitoring compliance throughout the period covered by this report and has not identified any breaches of obligations during this period.

In accordance with section 6 of the Annual Compliance Order, I Nino Ficca hereby verify that to the best of my knowledge and belief the information and documentation provided in compliance with this Order is;

1. Accurate and can be relied on to provide a true and fair representation of the operations;
2. Prepared, kept or maintained and accurately represented;
3. Not false and misleading; and
4. Complete in that all information required to be provided pursuant to the Order has been supplied.

Date:

Signed

A handwritten signature in black ink, appearing to read "Nino Ficca", is written over a light grey signature line.

Nino Ficca
Managing Director

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1. General duties for the provision of pipeline services of covered pipeline services by a service provider.

1.1. Legal Entity

(a) Nominate the type of legal entity the service provider is according to the specified kinds of legal entity in section 131 of the NGL

The service provider is a legal entity registered under the Corporations Act 2001.

(b) What is the registered business name and ABN of the service provider legal entity providing the covered pipeline services.

The service provider is AusNet Gas Services Pty Ltd ABN 43 086 015 036.

(c) 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 organisation chart.

An outline of the group structure can be found in Attachment 1.

The entity licensed by the ESC in Victoria to provide services by means of distribution pipelines is AusNet Gas Services Pty Ltd. This entity is a subsidiary of AusNet (No.9) Pty Ltd. AusNet (No.9) Pty Ltd is one of the distribution subsidiaries. AusNet Gas Services Pty Ltd is the entity that carries out the role of service provider for the gas distribution business and is the entity that would satisfy the meaning of Service Provider in the NGL.

On the 12th October 2009, the AER granted SP AusNet an exemption for SPI Management Services Pty Ltd (SPIMS) and Data Measurement Solutions Pty Ltd (DMS) from the annual compliance reporting requirements.

1.2. Preventing or hindering access

(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?

AusNet Gas Services Pty Ltd is not aware of any claims that it has prevented or hindered access to its pipelines.

1.3. Supply and haulage of natural gas

(a) Does a producer supply natural gas through the covered pipeline at a place other than the exit flange of the producers processing plant?

AusNet Gas Services Pty Ltd receives gas only from the producers exit flange.

1.4. Queuing requirements

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- (a) the service provider complied with the queuing requirements of the applicable access arrangement during the year?**

AusNet Gas Services Pty Ltd complies with the queuing requirements as defined in AusNet Services' Access Arrangement: 5.5 Queuing Policy.

5.5.1 Applicability - This Queuing Policy is applicable to requests for new Connections or modifications to existing Connection and is subject to the Extensions and Expansion Policy.

5.5.2 Procedure (a) The service provider will administer requests by Prospective Users for Connection or a request by a User or Prospective User for a modification to an existing Connection in the following manner; (1) The Service Provider will administer requests in the order they are received (on "first come, first served" basis), including advising the prospective user as to the charge (if any) for undertaking or modifying the Connection; and (2) The Service Provider may amend the charge first specified pursuant to clause 5.5.2(a)(1) prior to the Connection being made, if additional requests for undertaking or modifying a Connection are received and those additional requests allow the recovery of the charge over a large or different group of Prospective Users or Users.

1.5. Service Provider providing light regulation services must not price discriminate

- (a) Does the service provider provide light regulation services?**

AusNet Gas Services Pty Ltd does not provide light regulation services.

- (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.**

N/A

2. Structural & Operational Separation Requirements (Ring Fencing)

s.2.1 Carrying on of a related business

- (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.**

AusNet Gas Services Pty Ltd ABN 43 086 015 036, does not have any associates which take part in a related Business.

- (b) Provide a list of associates that are service providers and/or provide pipeline services.**

N/A

s.2.2 Marketing staff and the taking part in related businesses

- (a) Provide a list of associates of the service provider that are directly involved in the sale, marketing or advertising of pipeline services.**

N/A

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(b) 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.

N/A

(c) 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.

N/A

s.2.3 Separate accounts must be prepared, maintained and kept

(a) 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.

AusNet Gas Services Pty Ltd has prepared, maintained and submitted a separate set of accounts for the covered pipeline. These are known as the Gas Regulatory Accounts, and are based on calendar year and submitted four months post year end i.e. 30 April 2017 (latest submission, submitted to AER).

(b) 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?

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(c) 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.

On an annual basis AusNet Gas Services Pty Ltd prepares and maintains and submits Gas Regulatory Accounts.

(d) 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?

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(e) 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.

Attachment 5 contains the AusNet Gas Services Pty Ltd Special Purpose Financial Report for year end 31 March 2016.

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s. 2.4 Additional ring fencing requirements or exemptions

(a) Does the service provider have any additional ring fencing requirements?

No.

(b) What are these requirements?

N/A

(c) Provide a statement that these additional ring fencing requirements have or have not been met.

N/A

(d) Does the service provider have any exemptions for the minimum ring fencing requirements?

N/A

(e) What are these exemptions?

N/A

(f) By what jurisdictional regulator and when were these exemptions granted?

N/A

s.2.5 Associate 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?

No

(b) For each new or varied associate contract, please indicate the date the new or varied associate contract was entered into or given effect?

N/A

(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?

N/A

(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?

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N/A

3. Other Requirements

3.1. Ensuring applicable access arrangement and other specified information is available on website.

(i) Making access arrangements or terms and conditions of access available

(a) Has the service provider published the approved access arrangements on website?

The GAAR is available on the AusNet Services' website and Australian Energy Regulator (AER) website.

(b) Provide the web site address where this access arrangement can be accessed and the date that this access arrangement was provided on the web site

The AER address is <http://www.aer.gov.au>. This document was published on the website in March 2014. <https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/ausnet-services-sp-ausnet-access-arrangement-2013-17>

The submission for the 2018-2022 Gas Access Arrangement Review was published on AER website in December 2016. <https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/ausnet-services-access-arrangement-2018-22>

(c) 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?

To the best of our knowledge we are not aware of any such requests from the AER.

(d) Provide details of when and how this request was met.

N/A

(ii) Publishing approved competitive tender process access arrangement

(a) 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?

Not applicable. The Access Arrangement was not developed via a competitive tender process therefore the question does not apply to AusNet Gas Services Pty Ltd

(b) Provide the website address where this access arrangement can be accessed and the date this access arrangement was provided on the web site.

N/A

(iii) Publishing terms and conditions of access to light regulation services

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(a) 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?

N/A

(b) Provide the web site address where this information can be accessed and the date this information was first made available on the site.

N/A

(c) 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.

N/A

3.2. Access Determinations

(a) Has the service provider been party to an access determination?

Yes.

(b) When did the determination become operative?

1st January 2013.

(c) For what period is the access determination in place?

The Determination is in place until 31st December 2017. (5 years).

3.3. Confidentiality

(a) Provide a statement that the confidentiality requirements under Rule 137 of the NGR have or have not been met.

Statement of confidentiality requirements under Rule 137 of the NGR is attached (refer to **Attachment 3**).

(b) Has the service provider established an internal protocol or policy guideline or procedure manual for the handling of confidential information? If so, please provide the AER with the relevant policy manual.

Refer to **Attachment 3** for the mechanism AusNet Gas Services Pty Ltd has in place to ensure the protection of confidential information.

Attachment 4 contains the Information Security Policy Statement and Information Security Policy.

3.4. Bundling

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(a) Has the service provider bundled any of its services when providing access or negotiating access with a prospective user?

AusNet Gas Services Pty Ltd does not bundle its services in providing access to the gas network.

(b) If so, provide a description of the bundled services and related conditions of access.

N/A