

February 2019

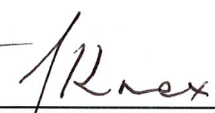
Statement of Compliance

Evoenergy 2017-18 Gas Compliance Report

I verify that, to the best of my knowledge and belief, the information and documentation provided by Evoenergy in compliance with the Annual Compliance Order made by the Australian Energy Regulator under s.48(1) of the National Gas Law:

- a) is accurate and provides a true and fair representation of Evoenergy's operations or ownership of a pipeline;
- b) can be relied upon by the AER in the performance or exercise of its functions or powers under the NGL or the NGR;
- c) is made in reliance on information and documentation that is prepared, kept or maintained and is accurately represented;
- d) is not false or misleading; and
- e) is in accordance with the Order and is complete.

Signed



John Knox
Chief Executive Officer
ActewAGL

19th February 2019

ActewAGL Distribution 2017-18 Annual Gas Compliance Report

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.*

Response

Icon Distribution Investments Limited (ABN 83 073 025 224) and Jemena Networks (ACT) Pty Ltd (ABN 24 008 552 663) are both legal entities registered under the *Corporations Act 2001* of the Commonwealth trading as Evoenergy (ABN 76 670 568 688) when providing the services.

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

Response

The registered business names for the legal entities that are service providers for the covered ACT, Queanbeyan and Palerang gas network are Icon Distribution Investments Limited (ABN 83 073 025 224) and Jemena Networks (ACT) Pty Ltd (ABN 24 008 552 663) trading as Evoenergy (ABN 76 670 568 688) when providing the services.

(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 organisational chart.*

Response

Group structure provided at Attachment A.

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?*

Response

No.

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 producer's processing plant?

Response

Not to Evoenergy's knowledge.

1.4 Queuing requirements

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

Response

Yes.

1.5 Service provider providing light regulation services must not price discriminate

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

Response

No.

(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.

Response

Not applicable.

2. Structural and Operational Separation Requirements (Ring Fencing)

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.

Response

AGL ACT Retail Investments Pty Limited (ABN 53 093 631 586) and Icon Retail Investments Limited (ABN 23 074 371 207) trading as ActewAGL Retail (ABN 46 221 314 841) are

associates of Icon Distribution Investments Limited (ABN 83 073 025 224) and Jemena Networks (ACT) Pty Ltd (ABN 24 008 552 663) trading as Evoenergy (ABN 76 670 568 688).

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

Response

The AER has determined that Jemena Asset Management Pty Ltd (ACN 086 013 461) is a *related provider*, defined by s43 of the NGL as “a person who supplies a contributing service to a scheme pipeline service provider”. S44 defines a *contributing service* as “a service that the AER, in accordance with this section, decides is a service that contributes in a material way to the provision of a pipeline service by a scheme pipeline service provider.” Jemena Asset Management Pty Ltd is an associate of Icon Distribution Investments Limited (ABN 83 073 025 224) and Jemena Networks (ACT) Pty Ltd (ABN 24 008 552 663) trading as Evoenergy (ABN 76 670 568 688).

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.

Response

Jemena Asset Management Pty Limited (ACN 086 013 461) provides certain marketing supports under agreement to Evoenergy for the covered ACT, Queanbeyan and Palerang gas network.

(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.

Response

The service provider’s marketing staff are not officers, employees, consultants, independent contractors or agents of an associate of the service provider that takes part in a related business.

(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.

Response

See response in relation to (a), (b) above.

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.

Response

Yes. The ACT, Queanbeyan and Palerang gas distribution network, which is the only covered pipeline within the structure, has a separate set of accounts.

(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?

Response

Separate accounts are prepared, maintained and kept within the Distribution Partnership.

(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.

Response

A consolidated set of accounts has been prepared, maintained and kept respect of the whole of the business of the service provider.

(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?

Response

The consolidated set of accounts is reported under the ActewAGL Distribution Partnership.

(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. 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.

Response

Financial report provided at Attachment B.

2.4 Additional ring fencing requirements or exemptions

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

Response

No.

(b) What are these requirements?

ActewAGL Distribution response

Not applicable

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

ActewAGL Distribution response

Not applicable

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

ActewAGL Distribution response

No.

(e) What are these exemptions?

ActewAGL Distribution response

Not applicable.

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

ActewAGL Distribution response

Not applicable.

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?

Response

Yes, following the commencement of the 2016-2021 Access Arrangement for the covered pipeline, ActewAGL Distribution entered into an agreement with ActewAGL Retail. That agreement is on the terms of the Reference Service Agreement approved by the AER as part of the Access Arrangement.

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

Response

The Reference Service Agreement was entered into on or about 26 July 2016 and took effect from 1 July 2016.

(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?

Response

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?

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

Response

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?

Response

Yes.

(b) Please provide the website address where this access arrangement can be accessed and the date that this access arrangement was provided on the website.

Response

<https://www.evoenergy.com.au/key-documents> Evoenergy's website is continuously revised to improve information provision to our customers. The current version of the access arrangement was posted on the Evoenergy website from July 2018.

(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.

Response

No.

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

Response

Not applicable.

(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?

Response

There is no competitive tender process access arrangement in place for the Evoenergy covered pipeline.

(b) Please provide the website address where this access arrangement can be accessed and the date that this access arrangement was provided on the website.

Response

Not applicable.

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

(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?

Response

Evoenergy is not a service provider for a light regulation pipeline.

(b) Please provide the website address where this information can be accessed and the date that this information was first made available on the website.

Response

Not applicable.

(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.

Response

Not applicable.

3.2 Access determinations

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

Response

No.

(b) When did the access determination become operative?

Response

Not applicable.

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

Response

Not applicable.

3.3 Confidentiality

(a) Provide a statement that the confidentiality requirements under rule 137 of the National Gas Rules have or have not been met.

Response

To the best of our knowledge and belief the confidentiality requirements under rule 137 of the *National Gas Rules* have been complied with.

(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 document

Response

Evoenergy has established policies and procedures for the handling of confidential information. These include:

- (a) all employee agreements include confidentiality obligations and employees are required to comply with the corporate Code of Conduct (Corporate Policy PO4202);

- (b) all employees are required to undergo a formal induction process, including confidentiality compliance;
- (c) Corporate Policy PO4902 (Ring-fencing) specifically addresses requirements under the NGL;
- (d) a requirement that all non-standard contracts are reviewed by in-house lawyers to ensure that they include appropriate confidentiality obligations;
- (e) all template contracts, including those relating to the retention of contractors, include appropriate confidentiality obligations and are regularly reviewed;
- (f) confidentiality practices are also reflected in our records management (Corporate Policy PO4905), IT security (Corporate Policy PO4300) and physical security procedures (Corporate Policy PO4607).

Relevant policies provided at Attachments C - G.

3.4 Bundling

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

Response

No. Services provided as per the Access Arrangement

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

Response

Not applicable.



2017-18 AER Gas Compliance Report

Attachment A: ActewAGL Organisational Structure

