

# Annual Compliance Report for 2015/16



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**October 2016**

# ANNUAL COMPLIANCE REPORT FOR 2015/6

31 October 2016

## ANNUAL COMPLIANCE REPORT

The following constitutes the Annual Compliance Report for the compliance period 2015/2016 for the covered gas distribution networks owned by Multinet Gas Holdings Pty Ltd (MGH), for which the respective service providers are Multinet Gas (DB No.1) Pty Ltd and Multinet Gas (DB No. 2) Pty Ltd, together trading as the Multinet Gas Distribution Partnership (hereinafter referred to as “**Multinet Gas**”).

Set out below is each compliance requirement followed by the relevant response.

<b>1. General duties for the provision of pipeline services of covered pipeline services by a service provider</b>	
<b>1.1 Legal Entity</b>	
<i>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.</i>	The entities trading as Multinet Gas Distribution Partnership, Multinet Gas (DB No.1) Pty Ltd and Multinet Gas (DB No. 2) Pty Ltd, are legal entities registered under the Corporations Act 2001 (Cth).
<i>b) What is the registered business name and ABN of the service provider legal entity providing the covered pipeline service?</i>	Multinet Gas (DB No.1) Pty Ltd (ABN 66 086 -26 986) and Multinet Gas (DB No. 2) Pty Ltd (ABN 57 086 230 122) trading as Multinet Gas Distribution Partnership (ABN 53 634 214 009)
<i>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</i>	<p>The diagram in Annexure 1 sets out the key parties in the Multinet Gas ownership structure as at 30 June 2016.</p> <p>In summary:</p> <ul style="list-style-type: none"> <li>• Multinet Gas (DB No. 1) Pty Ltd and Multinet Gas (DB No. 2) Pty Ltd are the partners of the Multinet Gas Distribution Partnership.</li> <li>• Multinet Group Holdings Pty Ltd (<b>MGH</b>) is the ultimate holding company of the Multinet group. As such, MGH is the focal point for management of the companies within the</li> </ul>

<p><i>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>Multinet group.</p> <ul style="list-style-type: none"> <li>• From 26 July 2013: <ul style="list-style-type: none"> <li>• Diversified Utility Energy Trust No 1 (<b>DUET1</b>) owns 100 per cent of the Multinet group via its shareholding in MGH.</li> <li>• On 1 January 2014 Diversified Utility Energy Trust No 1 changed its name to DUET 1 Trust</li> </ul> </li> </ul>
<p><b>1.2 Preventing or hindering access</b></p>	
<p><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></p>	<p>Multinet Gas is not 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.</p>
<p><b>1.3 Supply and haulage of natural gas</b></p>	
<p><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></p>	<p>Multinet Gas is not aware of any producer supplying natural gas through its pipeline.</p>
<p><b>1.4 Queuing requirements</b></p>	
<p><i>a) Has the service provider complied with the queuing requirements of the applicable access arrangement during the year?</i></p>	<p>Multinet Gas does not have queuing requirements in its access arrangement.</p>

<b>1.5 Service provider providing light regulation services must not price discriminate</b>	
<i>a) Does the service provider provide light regulation services?</i>	No, Multinet Gas 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.
<b>2. Structural and Operational Separation Requirements (Ring Fencing)</b>	
<b>2.1 Carrying on of a related business</b>	
<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>	Multinet Gas does not carry on a related business.  For completeness, it is noted that Multinet Gas's beneficial shareholder, DUET (100%) is the 100% shareholder in DBP Transmission. DBP Transmission is the trading name of the group of entities which own and operate the Dampier to Bunbury Natural Gas Pipeline, a natural gas pipeline connecting the natural gas reserves of the Carnavon and Browse basins on Western Australia's North West Shelf with customers in Perth and the surrounding regions.
<i>b) Provide a list of associates that are service providers and / or provide pipeline services.</i>	Refer to the answer at paragraph 2.1(a) above.
<b>2.2 Marketing staff and the taking part in related businesses</b>	

<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>Multinet Gas is not aware of any associates that are directly 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>None of Multinet Gas's marketing staff are also officers, employees, consultants, independent contractors or agents of an associate that takes part in a related business.</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>None of Multinet Gas's officers, employees, consultants, independent contractors or agents are also marketing staff of an associate that takes part in a related business.</p>
<p><b>2.3 Separate accounts must be prepared, maintained and kept</b></p>	
<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>Multinet Gas has prepared, maintained and kept a separate set of accounts in respect of the covered pipeline owned by Multinet Gas.</p>

<p>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?</p>	<table border="1"> <thead> <tr> <th data-bbox="760 280 1159 326">Registered Business Name</th> <th data-bbox="1159 280 1356 326">ABN</th> <th data-bbox="1356 280 1923 326">Covered Pipeline</th> </tr> </thead> <tbody> <tr> <td data-bbox="760 326 1159 378">Multinet Gas Distribution Partnership</td> <td data-bbox="1159 326 1356 378">53 634 214 009</td> <td data-bbox="1356 326 1923 378">Multinet Gas Distribution Network</td> </tr> </tbody> </table>	Registered Business Name	ABN	Covered Pipeline	Multinet Gas Distribution Partnership	53 634 214 009	Multinet Gas Distribution Network
Registered Business Name	ABN	Covered Pipeline					
Multinet Gas Distribution Partnership	53 634 214 009	Multinet Gas Distribution Network					
<p>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.</p>	<p>Multinet Gas has prepared, maintained and kept a consolidated set of accounts in respect of the whole of the business of the service provider.</p>						
<p>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?</p>	<p>Multinet Gas (DB No.1) Pty Ltd and Multinet Gas (DB No. 2) Pty Ltd, trading as Multinet Gas Distribution Partnership.</p>						
<p>e) Provide a copy of the most recently lodged annual financial reports with the Australia 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.</p>	<p>Multinet Gas submitted the 2015 Annual RIN to the AER on 29 April 2016. It is noted that these accounts are not lodged with the Australian Securities and Investments Commission.</p> <p>If you require further assistance please contact Verity Watson on 03 8846 9856</p>						

<b>2.4 Additional ring fencing requirements or exemptions</b>	
<i>a) Does the service provider have any additional ring fencing requirements?</i>	No, Multinet Gas has no additional ring fencing requirements.
<i>b) What are these requirements?</i>	Not applicable.
<i>c) Provide a statement that these additional ring fencing requirements have or have not been met.</i>	Not applicable.
<i>d) Does the service provider have any exemptions for the minimum ring fencing requirements?</i>	No, Multinet Gas has no exemptions for the minimum ring fencing requirements.
<i>e) What are these exemptions?</i>	Not applicable.
<i>f) By what jurisdictional regulator and when where these exemptions granted?</i>	Not applicable.
<b>2.5 Associate contracts</b>	
<i>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?</i>	<p>Multinet Gas has not entered into any associate contracts that would have or is likely to substantially lessen competition.</p> <p>For completeness we note, from 1 October 2011, as associate of Multinet Gas (UE and Multinet Pty Ltd) commenced providing employment services to Multinet Gas.</p>



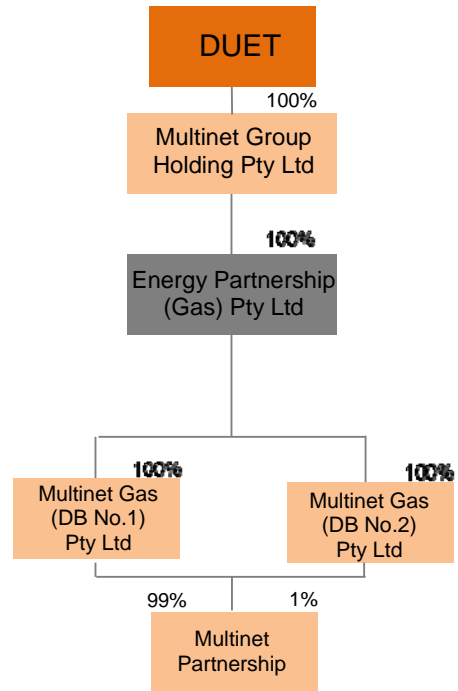
<i>b) For each new or varied associate contract, please indicate the date the new or varied associate contract was entered into or given effect?</i>	There were no new or varied associated contracts in the period.
<i>c) For each new or varied associate contract, please indicate if the contract or variation was approved by the AER and the date that it was approved?</i>	Not applicable.
<i>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?</i>	Not applicable.
<b>3. Other requirements</b>	
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	
<i>a) Has the service provider published the approved access arrangement on its website?</i>	Yes, the approved access arrangement is on Multinet Gas's website.

<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>The access arrangements for Multinet Gas for the Distribution System are on the website - <a href="http://www.multinetgas.com.au">http://www.multinetgas.com.au</a></p> <p>The documents for the fourth access period have been on the website since 14 May 2013.</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>Multinet Gas has not received any such requests.</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. There is no approved competitive tender process access arrangement in place for Multinet Gas's covered 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. Please refer to question 1.5.</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 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></p>	<p>Not applicable.</p>
<p><b>3.2 Access determinations</b></p>	
<p>a) <i>Has the service provider been party to an access determination?</i></p>	<p>Multinet Gas has not been party to an access determination.</p>
<p>b) <i>When did the access determination become operative?</i></p>	<p>Not applicable.</p>
<p>c) <i>For what period is the access determination in place?</i></p>	<p>Not applicable.</p>

<b>3.3 Confidentiality</b>	
<p><i>a) Provide a statement that the confidentiality requirements under rule 137 of the National Gas Rules have or have not been met.</i></p>	<p>Multinet Gas is not aware of any breach of section 137 during the year to 30 June 2016.</p> <p>For the period 1 July 2015 to 30 June 2016, Multinet Gas contracted certain works to a number of service providers. Each of these service providers have confirmed that, to the extent that they hold and are responsible for managing relevant confidential information that pertains to Multinet Gas, they are not aware of any breach of section 137 of the National Gas Rules during the period 1 July 2015 to 30 June 2016.</p>
<p><i>b) Has the service provider established an internal protocol or policy guideline or procedure manual for the handling of confidential information?</i></p> <p><i>If so please provide the AER with the relevant policy document</i></p>	<p>The employees for Multinet Gas are required to keep Multinet Gas's information confidential. The confidentiality obligation is included in each employee's employment contract, and also incorporated within Multinet Gas's employment policies.</p> <p>As identified above, under each agreement with Multinet Gas's key service providers, the service providers are required to keep certain information confidential and also to comply with all relevant laws and policy relating to the distribution network (which would include rule 137 of the National Gas Rules).</p>
<b>3.4 Bundling</b>	
<p><i>a) Has the service provider bundled any of its services when providing access or negotiating access with a prospective user?</i></p>	<p>Yes, Multinet Gas has bundled its DUOS and metering services in accordance with Multinet Gas's access arrangements for tariff V customers.</p>
<p><i>b) If so, provide a description of the bundled services and related conditions of access.</i></p>	<p>Multinet Gas has bundled haulage reference services, meter provision and meter data provision services in its approved access arrangements for tariff V customers.</p>

### Annexure 1: Multinet Gas Company Structure



## Statement of Compliance

I verify that the information and documentation provided is:

- (a) accurate and can be relied on to provide a true and fair representation of the service provider's operations or ownership of a pipeline that can be relied on by the AER in the performance or exercise of its functions or powers under the National Gas Law or National Gas Rules;
- (b) accurately represented;
- (c) not false and misleading;
- (d) in accordance with the Compliance Order and is complete.



Signed by Director

24 October 2016

Date