

Annual Compliance Report for 2018/19

31 October 2019

The following constitutes the Annual Compliance Report for the compliance period 2018/2019 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.

1. General duties for the provision of pipeline services of covered pipeline services by a service provider	
1.1 Legal Entity	
<p>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></p>	<p>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).</p>
<p>b) <i>What is the registered business name and ABN of the service provider legal entity providing the covered pipeline service?</i></p>	<p>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)</p>

<p>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.</p>	<p>The diagram in Annexure 1 sets out the key parties in the Multinet Gas ownership structure from 1 July 2018 to 30 June 2019.</p> <p>In summary:</p> <ul style="list-style-type: none"> • Multinet Gas (DB No. 1) Pty Ltd and Multinet Gas (DB No. 2) Pty Ltd are the partners of the Multinet Gas Distribution Partnership. • Multinet Group Holdings Pty Ltd (MGH) is the ultimate holding company of the Multinet group. • On 15 May 2017, a consortium involving entities that are part of the CK Group completed an acquisition of the shares and securities of the DUET Group of entities. The DUET Group of entities include the following businesses: <ul style="list-style-type: none"> • Multinet Gas - a gas distribution company in Victoria; • Dampier Bunbury Pipeline (DBP) - a gas transmission pipeline company in Western Australia; • DBP Development Group (DDG) – a group of companies encompassing gas transmission pipelines and gas storage (Tubridgi, Western Australia); and • United Energy - an electricity distribution company in Victoria. <p>None of these companies in the DUET Group is a subsidiary of Australian Gas Networks Limited (AGNL) and neither is AGNL a subsidiary of any company in the DUET Group.</p>
<p>1.2 Preventing or hindering access</p>	
<p>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?</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 National Gas Law (NGL).</p>

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>	Multinet Gas is not aware of any producer supplying natural gas through its covered pipeline at a place other than the exit flange of the producer's processing plant.
1.4 Queuing requirements	
<i>a) Has the service provider complied with the queuing requirements of the applicable access arrangement during the year?</i>	Multinet Gas does not have queuing requirements 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>	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.

2. Structural and Operational Separation Requirements (Ring Fencing)	
2.1 Carrying on of a related business	
<p><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></p>	<p>Multinet Gas has no associates that take part in a related business.</p> <p>For completeness, it is noted that Multinet Gas's beneficial shareholder, DUET Company Pty Limited (100%) is the 100% shareholder in DBP. DBP 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 Carnarvon and Browse basins on Western Australia's North West Shelf with customers in Perth and the surrounding regions, as well as customers between Perth and Dampier in the north of the state.</p> <p>For completeness, and as noted above in Question 1.1, a consortium involving entities that are part of the CK Group completed an acquisition of the shares and securities of the DUET Group of entities on 15 May 2017. DBP Development Group Pty Ltd (DDG) is an entity within the DUET Group of entities, DDG owns and operates a number of gas pipelines and the Tubridgi gas storage company. None of these companies in the DUET Group is a subsidiary of AGNL and neither is AGNL a subsidiary of any company in the DUET Group.</p> <p>Neither DBP, DDG nor AGNL take part in a related business (nor are they associates of Multinet Gas).</p>
<p><i>b) Provide a list of associates that are service providers and / or provide pipeline services.</i></p>	<p>Refer to the answer at paragraph 2.1(a) above.</p>

2.2 Marketing staff and the taking part in related businesses	
<p>a) Provide a list of associates of the service provider that are directly involved in the sale, marketing or advertising of pipeline services.</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) 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.</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) 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.</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>

2.3 Separate accounts must be prepared, maintained and kept							
<p>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 every covered pipeline owned or operated by the service provider.</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> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #cccccc;">Registered Business Name</th> <th style="background-color: #cccccc;">ABN</th> <th style="background-color: #cccccc;">Covered Pipeline</th> </tr> </thead> <tbody> <tr> <td>Multinet Gas Distribution Partnership</td> <td>53 634 214 009</td> <td>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>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>	<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>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 (DB No.1) Pty Ltd and Multinet Gas (DB No. 2) Pty Ltd, trading as Multinet Gas Distribution Partnership.</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 accounts are prepared on a calendar year basis. Included with the report is a copy of Multinet Group Holdings Pty Ltd (ABN 83 104 036 937)'s Financial Statements as of 31 December 2018.</p>
<p>2.4 Additional ring fencing requirements or exemptions</p>	
<p>a) Does the service provider have any additional ring fencing requirements?</p>	<p>No, Multinet Gas has no additional ring fencing requirements.</p>
<p>b) What are these requirements?</p>	<p>Not applicable.</p>
<p>c) Provide a statement that these additional ring fencing requirements have or have not been met.</p>	<p>Not applicable.</p>

<p>d) Does the service provider have any exemptions for the minimum ring fencing requirements?</p>	<p>No, Multinet Gas has no exemptions for the minimum ring fencing requirements.</p>
<p>e) What are these exemptions?</p>	<p>Not applicable.</p>
<p>f) By what jurisdictional regulator and when where these exemptions granted?</p>	<p>Not applicable.</p>
<p>2.5 Associate contracts</p>	
<p>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?</p>	<p>Multinet Gas has not entered into any associate contracts that would have or is likely to substantially lessen competition. For completeness we note, from 1 October 2011, associates of Multinet Gas (United Energy and Multinet Pty Ltd) commenced providing employment services to Multinet Gas.</p>
<p>b) For each new or varied associate contract, please indicate the date the new or varied associate contract was entered into or given effect?</p>	<p>There were no new or varied associated contracts in the period.</p>

<p><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></p>	<p>Not applicable.</p>
<p><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></p>	<p>Not applicable.</p>
<p>3. Other requirements</p>	
<p>3.1 Making access arrangement or terms and conditions of access available</p>	
<p>(i) Ensuring applicable access arrangement and other specified information is available on website</p>	
<p><i>a) Has the service provider published the approved access arrangement on its website?</i></p>	<p>Yes, the approved access arrangement is on Multinet Gas's website.</p>
<p><i>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.</i></p>	<p>The access arrangements for Multinet Gas for the Distribution System are on the website - http://www.multinetgas.com.au Multinet Gas published the Access Arrangement on its website prior to the commencement of the new Access Arrangement period in January 2018.</p>

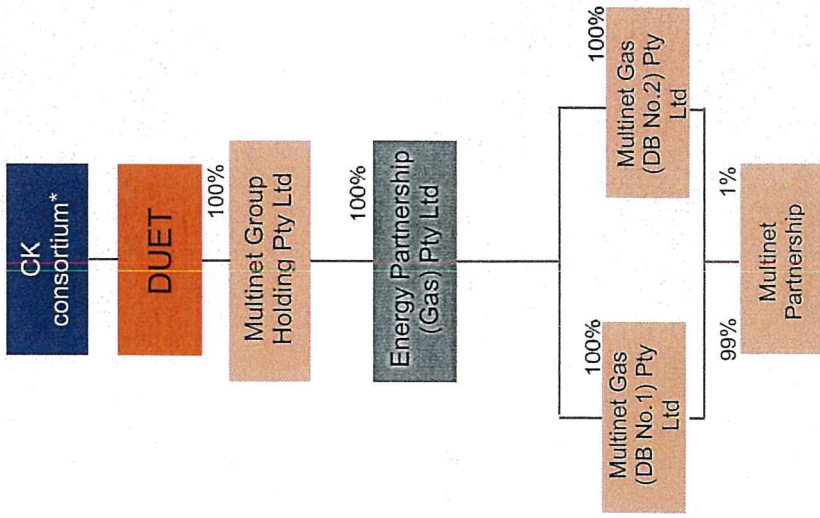
<p><i>c) Has the service provider received any requests from the AER to provide to prospective users generally other information specified as reasonably necessary to determine if access should be sought.</i></p>	<p>Multinet Gas has not received any such requests.</p>
<p><i>d) Please provide details of when and how this request was met.</i></p>	<p>Not applicable.</p>
<p>(ii) Publishing approved competitive tender process access arrangement</p>	
<p><i>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?</i></p>	<p>Not applicable. There is no approved competitive tender process access arrangement in place for Multinet Gas's covered pipeline.</p>
<p><i>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.</i></p>	<p>Not applicable.</p>

<p>(iii) Publishing terms and conditions of access to light regulation services.</p>	<p>Not applicable.</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.</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>3.2 Access determinations</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><i>b) When did the access determination become operative?</i></p>	<p>Not applicable.</p>
<p><i>c) For what period is the access determination in place?</i></p>	<p>Not applicable.</p>
<p>3.3 Confidentiality</p>	
<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>There was one instance during the reporting period 1 July 2018 to 30 June 2019 where the confidentiality requirements under section 137 of the National Gas Rules (NGR) were not met.</p> <p>The non-compliance occurred on 14 September 2018 when a service provider inadvertently sent an email to a customer, which included the site and customer details of an unassociated customer. The unauthorised disclosure of the customers personal information included the customer's first name, Meter Installation Registration Number (MIRN), address, email address and mobile number.</p> <p>The service provider confirmed the email was meant to send to a Multinet Gas employee however, a customer's email address from outlook was selected in error.</p> <p>Upon realising the error on the same day, the service provider immediately contacted the customer who received the information in error and requested that it be deleted.</p> <p>Immediate actions were taken to advise all service providers when drafting emails to review email addresses prior to sending any emails to ensure only the intended recipients receive emails.</p> <p>To prevent any future reoccurrence of the incident, Multinet Gas organised Privacy training with the service providers to further raise awareness and prevent reoccurrence.</p>

	<p>As far as Multinet is aware, no person has suffered detriment as a result of the inadvertent disclosure. In particular, the affected customer and the customer who received the information in error.</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>Multinet Gas has developed its own Privacy Policy, details of which are available through its website, via the following link: https://www.multinetgas.com.au/wp-content/uploads/2018/02/Multinet-Gas-Privacy-Policy-Feb-2018.pdf</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>Multinet Gas also has a Ring Fencing Manual which details the requirements of handling of confidential information.</p> <p>Additionally, 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.</p>
<p>3.4 Bundling</p>	
<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>No, Multinet Gas has not bundled any of its services.</p>
<p><i>b) If so, provide a description of the bundled services and related conditions of access.</i></p>	<p>Not applicable.</p>

Annexure 1: Multinet Gas Company Structure

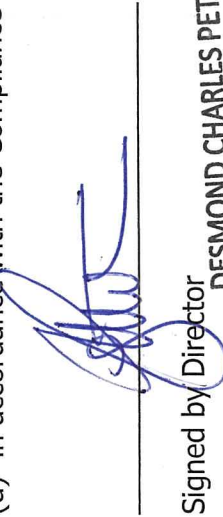


* CK Consortium being CK Infrastructure Holdings, Power Asset Holdings and CK Asset Holdings

Statement of Compliance— Period 1 July 2018 – 30 June 2019

I verify that, to the best of my knowledge and belief, the information and documentation provided in compliance with the Annual Compliance Order 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) prepared, kept or maintained and is accurately represented accurately represented;
- (c) not false and misleading; and
- (d) in accordance with the Compliance Order and is complete.



Signed by Director
DESMOND CHARLES PETHERICK
DIRECTOR

Date 31/10/19