

**East Australian Pipeline Limited**  
**(a wholly owned subsidiary of the**  
**Australian Pipeline Trust)**

**ANNUAL REPORT**

**2002-2003**

**Pipeline Licence No.7**  
**South Australia**

**Moomba to Wilton Natural Gas Pipeline**  
**MW00 To MW101 Section**

**Prepared by: Agility**  
**Date: August, 2003**

## INTRODUCTION:

This report provides information to the Minister of Primary Industries and Resources of South Australia in accordance with requirements of Section 33 of the Petroleum Regulations 2000.

## REGULATED ACTIVITIES:

### Section 33.(2) (a)

*a summary of the regulated activities conducted under the licence during the year:*

### 1 IN-LINE INSPECTION:

There were no in-line inspections carried out during the period.

### 2 CORROSION CONTROL:

#### 2.1 Annual Pipe to Soil Potential Survey:

The annual pipe-to-soil survey from MW00 to MW101 was completed in May 2003.

All test point protection levels on the Moomba Bypass line were protected according to AS2832.1 with 100% of readings in the optimum range of -0.925 to -1.175 volts to Cu/CuSO<sub>4</sub>.

Between MW00 and MW101 6.8% of test point readings were not protected according to AS2832.1. 71.2% of off potential readings were within the optimum range of -0.925 to -1.175 volts. No readings were more negative than -1.2 volts.

#### 2.2 Cathodic Protection System:

The cathodic protection system protecting the pipeline operated reliably with no significant outages.

Flange insulation kits were installed at Moomba to isolate the fin-fan cooler and earthing systems from the pipeline.

Coating refurbishment work completed at MW10 restored effective CP levels at this valve site.

A new CP installation is now required in the vicinity of MW65 to maintain protection levels.

A new CP unit was commissioned at MW102 during July 2003 that has improved the level of protection on the pipeline between MW83 and MW101.

### **3. ELECTRICAL AND MECHANICAL MAINTENANCE:**

Routine six monthly maintenance was performed at MW00, MW29, MW55 and MW83 as per the maintenance schedule. This includes all line valves and coolers at the Moomba inlet station. Santos operators inspected the Moomba cooler inlet station each week. This maintenance was performed in accordance with the requirements of Australian Standard 2885.

Valve "O" services were completed during the year as per schedule.

Work Cover electrical safety checks were completed as required.

Over 100m of the pipeline was excavated in March 2003 and investigated as per the stress corrosion cracking (SCC) management plan. Some stress corrosion cracking was found and removed by grinding and the pipe was coated and backfilled.

During this period there were no other equipment failures that posed a threat to the operating integrity of the pipeline.

## **4. EASEMENT MANAGEMENT**

### **4.1 Easement Maintenance**

Some minor restoration was undertaken during the year to repair some minor subsidence and erosion. No major problems were identified.

The easement was surveyed by air according to the Safety and Operating Plan.

Access road signage was improved and faded signs and stickers replaced.

The Moomba site was cleared of weeds and general cleaning and housekeeping carried out.

### **4.2 Landowner and emergency services activities**

Annual landowner liaison and package deliveries were completed on 9 October 2002.

### 4.3 Aerial Surveillance

Aerial patrols of the pipeline route by helicopter were completed each month with additional vehicle inspections conducted in association with other maintenance activities.

## 5. HEALTH, SAFETY AND ENVIRONMENT

Monthly Lifeguard toolbox<sup>1</sup> meetings were held for the period. Topics covered included manual handling and Tagging. All persons have been made aware of the requirement to have REV6 training prior to any works at the Moomba site.

Satellite telephones and remote area kits are used by persons travelling west of the Darling River to mitigate issues from working in isolated areas.

## 6. EMERGENCY RESPONSE

No incidents occurred during this period.

A Tri-state conference was attended by the combined emergency services at Kayrunnera Station on 24 and 26 of March 2003.

## 7. QUALITY ASSURANCE

The management system remains DNV certified.

## REGULATORY COMPLIANCE

### Section 33.(2) (b)

***a report for the year on compliance with the Act, these regulations, the licence and any relevant statement of environmental objectives***

Australian Pipeline Trust (owner of East Australian Pipeline Limited) and Agility (APT's contractor) comply with all relevant Act, regulations, the licence and Statement of Environmental Objectives.

The pipeline is operated as per requirements of AS2885.3.

## Rectification of Non-compliance

### Section 33.(2) (c)

*a statement concerning any action to rectify non-compliance with obligations imposed by the Act, these regulations or the licence, and to minimise the likelihood of the recurrence of any such non-compliance:*

There was no issue of non-compliance to the Act.

## SUMMARY OF MANAGEMENT SYSTEM AUDITS

### SECTION 33.(2) (d)

*a summary of any management system audits undertaken during the relevant licence year, including information on any failure or deficiency identified by the audit and any corrective action that has, or will be, taken*

Several audits were carried out on the management systems in place within Agility.

Det Norske Veritas carried out a routine recertification audit of the quality system. There were no significant issues and certification continues.

A Lifeguard audit (safety and environmental) was carried out in July 2002. No significant issues were identified.

The most recent audit of the Safety and Operating Plan (SAOP) for the NSW section of the pipeline was completed in June 2003. There were no corrective actions. The auditors did make some observations for system improvements, which Agility is addressing.

## List of reports

### Section 33(2) (e)

*a list of all reports and data relevant to the operation of the Act generated by the licensee during the relevant licence year*

1. Section 33 - Annual report (this report)
2. Advised of the Stress Corrosion Cracking (SCC) investigations carried out at MW32, MW33 and MW38.

## Incident Reports

### Section 33(2)

***(f) in relation to any incidents reported to the Minister under the Act and these regulations during the relevant licensing year-***

- (i) an overall assessment and analysis of the incidents, including the identification and analysis of any trends that have emerged; and***
- (ii) an overall assessment of the effectiveness of any action taken to rectify non-compliance with obligations imposed by the Act, these regulations or the licence, or to minimise the risk of recurrence of any such non-compliance***

The proposed technical investigation and remedial activities proposed in January 2002 continue to be undertaken by Agility on behalf of APT as articulated below:

- The pipeline operating pressure reduction from 6,380 kPa to 5,800 kPa is being maintained.
- The excavation and checking of in excess of 100 meters of pipeline to further assess the extent of SCC on this section of pipeline.
- The proposed intelligent pigging of the pipeline section between MW00 to MW 162.

## Threat Prevention, Mitigation

### Section 33(2) (g)

***a report on any reasonably foreseeable threats (other than threats previously reported on) that reasonably present, or may present, a hazard to facilities or activities under the licence, and a report on any corrective action that has, or will be, taken***

No reasonably foreseeable threats (other than threat previously reported) apply to this section of the pipeline, notwithstanding the advice on SCC.

## FUTURE OPERATIONS

### Section 33(2)(h)

*unless the relevant licence year is the last year in which the licence is to remain in force-a statement outlining operations proposed for the ensuing year*

All maintenance operations will continue to be completed as scheduled to ensure that the integrity of the pipeline system is being maintained, as well as the safety and efficiency of Agility's operations.

## PIPELINE OPERATION

### Section 33(2)

*(k) in the case of a pipeline licence-the volume of any regulated substance transported through the pipeline during the relevant licence year*

The quantity of natural gas transported through the Moomba – Sydney Gas pipeline for the year ended 30 June 2003 is shown in the following table:

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## Statement of Expenditure

### Section 33(3)

*An annual report must be accompanied by a statement of expenditure on regulated activities conducted under the licence for the relevant licence year, showing expenditure under each of the following headings (so far as is relevant):*

- (a) drilling activities;*
- (b) seismic activities;*
- (c) technical evaluation and analysis;*
- (d) other surveys;*
- (e) facility construction or modification;*
- (f) operating and administration expenses (to the extent that such expenses are not included under a preceding heading).*

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