

Gorodok PT Y Limited

ANNUAL REPORT

2002-2003

Pipeline Licence No. 8
South Australia

Moomba to Botany Ethane Pipeline
MS00 T o MS101 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 MS00 to MS101 was completed in May 2003. All test points surveyed were protected according to AS2832.1, although protection levels were generally slightly more negative than desirable.

2.2 Cathodic Protection System:

The pipeline is protected by cross bonds to the adjacent natural gas pipeline. No significant outages affecting protection were recorded.

Telemetry on the cathodic protection system operated reliably for the entire period.

3. ELECTRICAL AND MECHANICAL MAINTENANCE:

Routine maintenance was performed at MS00, MS29, MS55 and MS83 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 'Gorodok Operations and Maintenance agreement 1994' and to requirements of Australian Standard 2885.

Valve "O" services were completed during the year.

WorkCover electrical safety checks were completed as required.

During this period there were no 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 subsidence and erosion. No major problems were identified.

The easement was surveyed by air according to the Safety and operation plan.

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

The Moomba site was cleared of weeds along with general cleaning and housekeeping.

4.2 Landowner and emergency services activities

Annual Landowner liaison and package deliveries were completed in September 2002.

Landowners from Bollards Lagoon and Omicron have requested that we do not spray herbicide on the easement because they now practice organic farming.

4.3 Aerial Surveillance

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

5. HEALTH, SAFETY AND ENVIRONMENT

Monthly Lifeguard toolbox meetings were held for the period July 2002 to June 2003 as scheduled.

Topics included were manual handling and safety tagging and Environmental awareness.

There was no LTI or MTI on the Ethane pipeline for this period in the SA area.

Two satellite telephones continue to be made available to persons travelling west of the Darling River. Remote Area kits also continues to be utilised when travelling into 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 to 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 (Gorodok'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 Hazard audit of ethane pipeline and the Safety and Operating Plan (SAOP), was completed in March 2003. There were 25 corrective actions required across all areas of operation, 5 were considered by the auditor to have high priority. Action items are being addressed on a priority basis.

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. Fitness for Purpose report August 2002

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***

No incidents were reported on this section of pipeline.
No non-compliances were identified on this section of pipeline.

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 those identified in the risk assessment previously reported) apply to this section of the pipeline.

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 ethane transported through the Moomba – Sydney ethane pipeline for the year ended 30 June 2003 is shown in the following table:

Date	Ethane		
	Tonnes	m ³	Daily Max (Tonnes)
Jul-01	29,570	23,237	1,186
Aug-01	30,726	24,176	1,070
Sep-01	28,146	22,277	1,114
Oct-01	18,356	14,516	1,051
Nov-01	26,892	21,207	1,047
Dec-01	15,629	12,327	947
Jan-02	16,636	10,778	877
Feb-02	15,323	12,060	682
Mar-02	22,080	17,481	1,004

Apr-02	26,390	20,793	1,078
May-02	23,197	18,272	1,035
Jun-02	2,212	1,726	810
Total	255,156	198,850	1,186
Max Day			28/07/02

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).*

Commercial in confidence