

SOUTH EAST AUSTRALIA



South East Australia Gas Pty Ltd

Annual Report

South Australian Pipeline Licence (PL 13)

2004 – 2005 Licence Year



Port Campbell to Adelaide Natural Gas Transmission Pipeline

Document No. REG-RE-002

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

TABLE OF CONTENTS

1.0	PURPOSE	5
2.0	INTRODUCTION	5
3.0	SCOPE	5
4.0	TECHNICAL ASPECTS	8
5.0	OPERATIONAL ACTIVITIES CONDUCTED DURING 2004/2005.....	9
5.1	Risk Management Review	9
5.2	Training	9
5.3	Patrol Activities.....	9
5.4	Operational & Logistics Support	10
5.5	Operations & Maintenance Activities.....	10
5.6	Cathodic Protection Survey.....	12
5.7	Electrical and Instrumentation.....	12
5.8	Mechanical.....	13
5.9	Gas Compression Facilities	14
5.10	Noise Emissions.....	14
6.0	INCIDENT REPORTING	14
7.0	LAND MANAGEMENT	19
7.1	Land Tenure	19
7.2	Stakeholder Liaison.....	19
7.3	Asset Management	19
7.4	Pipeline Safety Awareness	19
7.5	Pipeline Location and Referral Services	20
8.0	ENVIRONMENTAL MANAGEMENT	20
8.1	Post Construction Environmental Management	20
8.2	Net Gain Offsets	21
8.3	Compliance with Statement of Environmental Objectives.....	21
9.0	EMERGENCY RESPONSE.....	22
9.1	Exercise Capricorn.....	22
9.2	SEA Gas Call-In Exercises	22
9.3	Exercise Goanna - Victorian Gas Industry Exercise	22
9.4	Exercise Southern Exposure	23

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

10.0	REGULATORY COMPLIANCE	23
11.0	RISK MANAGEMENT	23
12.0	MANAGEMENT SYSTEM AUDITS	24
12.1	Construction Audits & Reporting.....	24
12.2	Environmental Audits.....	24
12.3	Health and Safety Audits.....	25
13.0	REPORTS ISSUED DURING THE 2004 -2005 LICENCE YEAR	25
14.0	VOLUME OF PRODUCT TRANSPORTED	25
15.0	PROPOSED OPERATIONAL ACTIVITIES FOR 2005 - 2006 LICENCE YEAR.....	26
16.0	STATEMENT OF EXPENDITURE	26

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

LIST OF ABBREVIATIONS

“	Inches
AC	Alternating Current
APIA	Australian Pipeline Industry Association
AS2885	Australian Standard 2885 – Pipelines, Gas and Liquid Petroleum
CP	Cathodic Protection
DCVG	Direct Current Voltage Gradient
KP	Kilometre Point
KPag	Kilo Pascals (gauge pressure)
MLV	Main Line Valve
MPa	Megapascal
mm	Millimetres
PJ	Petajoule
PSI	Pounds per Square Inch
SCADA	Supervisory Control And Data Acquisition
SCLJV	Spie Capag Lucas Joint Venture
SEA Gas	South East Australia Gas Pty Ltd
μ	Micron
SEO	Statement of Environmental Objectives
UPS	Uninterrupted Power Supply
HDD	Horizontal Directional Drill

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

1.0 PURPOSE

This report details compliance and operational performance in relation to the South Australian portion of the South East Australia Gas Pty Ltd (SEA Gas) Pipeline, in accordance with the requirements of South Australian Pipeline Licence No. 13, the South Australian Petroleum Act 2000 and associated Regulations to that Act.

This report primarily highlights operational compliance requirements (inclusive of construction, commissioning and operational activities) along the South Australian section of the Port Campbell to Adelaide Natural Gas Transmission Pipeline up to 30 June 2005. References are made to engineering, operations and maintenance activities along the length of the pipeline, where state delineation is not deemed necessary.

2.0 INTRODUCTION

Developed and operated as a collaborative partnership between International Power (Australia) Pty Ltd, Origin Energy Ltd and TRU energy, South East Australia Gas Pty Ltd (SEA Gas) strives to provide a competitive and reliable natural gas energy source to South Australians.

Since the commencement of formal pipeline operations on 1 January 2004, SEA Gas continues to play a major role in providing approximately 50% of Adelaide's natural gas requirements, from the Victorian, Otway Basin gas reserves.

As a direct result of SEA Gas pipeline operations, the security of gas supplies into South Australia has been improved.

In line with regional demand for energy, SEA Gas has recently expanded its supply network, linking up two new commercial customers at Naracoorte and Jervois, following the construction of lateral pipelines and facilities.

3.0 SCOPE

The Port Campbell to Adelaide SEA Gas pipeline system being approximately 680km long (Ref. Figure 1 – SEA Gas Pipeline Route), commences at the BHP Billiton, Minerva Gas Plant, north east of Port Campbell in south-western Victoria and terminates at the Pelican Point off take and metering facility north of Adelaide.

Fabricated of welded steel (API 5L X70) construction and featuring a trilaminate protective coating, the pipeline is buried throughout its length, with above ground Mainline Valves, Compression and Metering Stations installed at prescribed intervals along the length of the pipeline.

The South Australian section of the pipeline from the Victorian/South Australian border to the Pelican Point Off take Station situated northwest of Adelaide, is 422km long and features twin 355mm (14") diameter pipelines for the first 225km (from the border to the Coomandook Compressor Station) with the remaining 197km (from the

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

Coomandook Compressor Station to Pelican Point Off take Station) consisting of a single 457mm (18") diameter steel pipeline, MLV's and five customer metering and delivery points at Cavan, Torrens Island and Pelican Point, Naracoorte and Jervois.

The SEA Gas Pipeline network is operated and maintained in accordance with the requirements of Australian Standard AS 2885 and the APIA *Code of Environmental Practice (1998)* and all applicable Acts and Regulations.

Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year

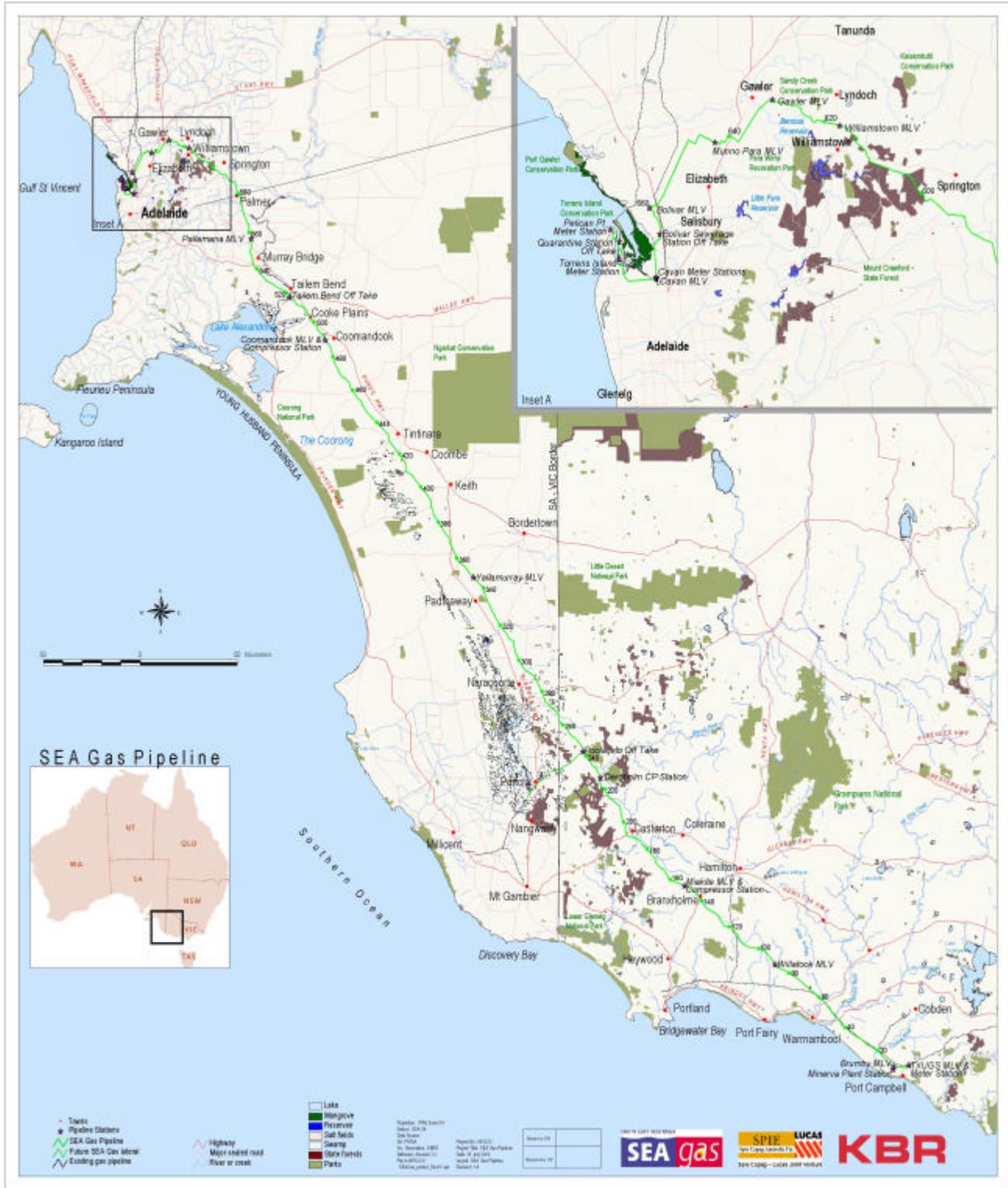


Figure 1 – SEA Gas Pipeline Route

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

4.0 TECHNICAL ASPECTS

Table 1 – SEA Gas Pipeline Design & Construction Data

Construction Commencement:	October 2002
Operational:	1 January 2004
Officially Opened:	15 March 2004
AS2885 Design Life:	80 years
Pipeline Length: (excluding laterals)	686km
Pipeline Diameters (OD):	355mm (14") 457mm (18")
Pipeline Wall Thicknesses:	
➤ 355mm (14") Standard Wall	7.92mm
➤ 355mm (14") Heavy Wall	9.8mm
➤ 457mm (18") Standard Wall	10.2mm
➤ 457mm (18") Heavy Wall	12.7mm
➤ 50mm (2") - Lateral Pipelines Only	6.8mm
<i>Note - heavy wall pipe installed at special crossings (eg - beneath roads, railways and rivers)</i>	
Pipe Grade:	API 5L Grade X70
Maximum Allowable Operating Pressure (MAOP):	15,306 kPag (2,220 PSI)
Hydrostatic Test Pressure:	21,275 kPag (3,086 PSI)
Trilaminate Coating: <i>Note – additional ‘special’ coatings include Concrete and Fusion Bonded Epoxy</i>	<ul style="list-style-type: none"> ➤ Fusion Bonded Epoxy Internal (50μ) & External (150μ) ➤ Co-polymer Adhesive (125μ) ➤ High Density Polyethylene Jacket (1,000μ)
Mainline Valves:	
➤ Victoria	4
➤ South Australia	8
Gas Compression Facilities:	
➤ Victoria – Miakite (Commissioned Dec 04)	1
➤ South Australia – Coomandook (operational)	1
SA Metering & Off take Stations:	
➤ Cavan (TXU & Origin)	2
➤ Torrens Island (TXU)	1
➤ Pelican Point (International Power)	1
➤ Naracoorte	1
➤ Jervois	1

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

5.0 OPERATIONAL ACTIVITIES CONDUCTED DURING 2004/2005

5.1 Risk Management Review

In accordance with the requirements of Australian Standard AS 2885, a review of operational risks was conducted and necessary amendments made to the SEA Gas risk register.

Assessment and management of operational risks has been underpinned by legislative and commercial requirements, within an operating environment.

5.2 Training

During the course of the licence year, ongoing training for both SEA Gas Operations personnel and third party maintenance providers was conducted, both by way of specialist third party training providers and 'in house' training providers. Staff training included but was not limited to the following areas:

- Heater Systems
- Valve Maintenance
- Gas Chromatograph Maintenance
- Nominated Permit Holder & Authorised Permit Issuing Officer
- Emergency Response
- Hazard Alert / Incident Reporting
- Safety & Environmental Awareness
- Driver Training – Unsealed Surfaces
- Senior First Aid – CPR Refresher
- Fire Safety
- Familiarisation & control function of newly commissioned facilities at Naracoorte and Jervois
- Senior First Aid Training (or re-certification) for all operations group personnel
- Lightning Water Bath Heater Operation & Maintenance
- Bristol Babcock RTU – Operations & Maintenance
- Gas Compression Facility Operations & Maintenance
- Cathodic Protection and Corrosion Mitigation
- Media Awareness and Management
- Incident & Accident Investigation
- Unsealed Surface Driver Training
- Emergency Response and Incident Management

5.3 Patrol Activities

Scheduled aerial and ground patrols of the pipeline easement and above ground facilities was conducted by SEA Gas operations throughout the year, the ability of both aerial and ground patrols to detect unauthorised third party activities along the easement (Ref. Quarterly Reports), has assisted SEA Gas operations in safeguarding security of supply and the promotion of safe activities in proximity to pipeline infrastructure.

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

In addition to the detection of unauthorised activities, patrols have detected fallen marker posts, trench subsidence, erosion and have validated vegetative easement regrowth. Post patrol remedial actions were implemented to ensure rectification of non-complying activities, environmental aspects and reinstatement of infrastructure.

5.4 Operational & Logistics Support

Post construction facility and easement defect liability issues continue to be progressively addressed by the pipeline construction joint venture, under the auspices of the SEA Gas Permit to Work System and safety management systems.

Pipeline and facility maintenance, patrol activities, third party asset locations and emergency response activities, have predominantly been provided by GasNet Australia in joint partnership with Origin Energy Asset Management (the latter of which predominantly provides services within South Australia), in accordance with a service level agreement.

Additionally, 'pre-qualified' service providers have been engaged to support specific operational activities or projects.

5.5 Operations & Maintenance Activities

Operations and maintenance activities have been conducted at programmed frequencies throughout the year; with revisions to frequencies occurring based on historical precedent or risk management protocols. During the course of the 2004 – 2005 operational year, the following activities were conducted:

Weekly

- Ground patrols between Pelican Point and Williamstown facilities. Non-conformances arising from these patrols were managed in consultation with stakeholders following the patrol.
- Scheduled maintenance and abnormal operational conditions were actioned by the maintenance services provider, in consultation with SEA Gas.
- The maintenance service provider on behalf of SEA Gas performed administration of the Freecall 1100 - Dial Before You Dig, One Call asset referral service. Throughout the licence year 504 calls were registered for the South Australian section of the pipeline, an increase of 54% over the previous year.

Six Monthly

- The maintenance service provider conducts whole of pipeline ground patrols on a monthly basis with non-conformances from these patrols being actioned in consultation with SEA Gas, following each patrol.
- Aerial patrols are flown between Pelican Point and the Williamstown Main Line Valve on a monthly basis, with these patrols having been upgraded from fixed winged aircraft to a helicopter patrol. Non-conformances arising from these patrols (eg – unauthorised activities, trench subsidence, fallen marker posts) are actioned by the maintenance service provider in consultation with SEA Gas, following each patrol.

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

- Reports detailing maintenance, fault rectification, incidents, observations, asset locations and allied operational matters, are detailed by the maintenance service provider on a monthly basis, for discussion with SEA Gas. Issues pertaining to operational matters, including safety and environmental performance, are actioned in consultation with SEA Gas.
- Odorant sampling conducted by the maintenance service provider on a monthly basis indicated that odorant levels exceeded minimum allowable limits (Ref. Gas Regulations 1997 12(3)(b)) prior to entering the Adelaide distribution network, during the reporting period.

Three Monthly

- Quarterly fixed wing aerial patrol flights are flown between Williamstown Main Line Valve and Port Campbell (Vic). Observations arising from these patrols (eg – unauthorised activities, fallen marker posts, trench subsidence) are actioned by the maintenance service provider in consultation with SEA Gas, following each patrol flight.
- The maintenance service provider conducted inspection, maintenance and calibration activities at injection & receipt points (nine sites), Main Line Valves (19 valves at 14 sites) and Scraper Stations (10 sites) along the SEA Gas pipeline. Maintenance activities included:
 - Inspection of facility lighting
 - Air conditioning inspection & maintenance
 - Gas chromatograph calibration
 - Ultrasonic meter accuracy validation
 - Smoke & fire detection system inspection & testing
 - Security system testing
 - Inspection of calibration gas pressures and contents
 - Inspection, replacement of filter elements and draining of filter vessels
 - Inspection and testing of water bath heaters and corrosion inhibitor refill
 - Gas leakage inspections and repair
 - Inspection & inventory of spare parts & consumables
 - Fencing repairs
 - Signage inspection & reinstatement
 - Inspection of amenities & facilities
 - Weed management & rubbish removal
 - Conditional monitoring of water bath heater corrosion inhibitor and gas compressor sump oil
 - Pressure vessel inspection & recertification
 - Transmitter & switch calibrations
 - Battery, UPS and charger testing

Annual

- Inspection and servicing of all fire detection and extinguishing systems were conducted during the reporting period, with faulty equipment being repaired or replaced as necessary.

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

5.6 Cathodic Protection Survey

During July and August 2004, CPS Cathodic Protection Systems conducted a whole of pipeline Potential Survey. Despite the geomagnetic telluric activity noted on some parts of the pipeline during the course of the survey, the SEA Gas Pipeline was deemed to be cathodically protected in accordance with the criteria set out in Australian Standards AS 2832 and AS 2885.

Table 2 – Cathodic Protection Rectifier Unit Test Results

Station Location	Date	Output Current	Voltage	Pipe Potential
Pelican Point CPU - U/S	27Jul04	0.0mA	0.0V	-1250mV
Bolivar CPU – D/S	27Jul04	160mA	1.4V	-1530mV
Bolivar CPU – D/S & U/S bonded	27Jul04	0.8mA	0.0V	-1237mV
Williamstown CPU – D/S	29Jul04	500mA	3.8V	-1364mV
Williamstown CPU – U/S	29Jul04	600mA	4.0V	-1581mV
Coomandook CPU – D/S	31Jul04	420mA	2.9V	-1356mV
Coomandook CPU – U/S	31Jul04	300mA	3.0V	-1480mV
Yallamurray CPU – D/S	03Aug04	0mA	1.5V	-1449mV
Yallamurray CPU – U/S	03Aug04	250mA	1.7V	-1140mV

5.7 Electrical and Instrumentation

Custody transfer metering consists of eight Daniel Senior Sonic and Junior Sonic 4-path ultrasonic flow meters. Custody transfer metering accuracy was verified during commissioning and post-commissioning velocity-of-sound verification calibrations.

Gas chromatography is accomplished using Daniel Danalyzer 570, C9+ gas chromatographs installed within Victoria and C6+ gas chromatographs installed within South Australia. Gas chromatographs have been subject to in field upgrades by the supplier following a series of operational failures.

Energy flow rates are calculated within the Bristol Babcock, Control Wave telemetry units.

In line with subsequent commissioning of the Miakite Compressor Station and two metering and pressure regulation facilities at Jervois and Naracoorte, the SEA Gas SCADA system has been subject to continuous improvement of display screens and parameters based on the evolving operational needs of the Systems Control operators.

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

SCADA systems and communications serviceability continues to meet project reliability requirements with total downtime of the SCADA system remaining at zero. Communications reliability rates of over 99% have been recorded up to the time of writing.

Remote sites feature either dedicated terrestrial land-lines or satellite up-link telemetry with CDMA backup modem installations. No satellite up-link telemetry unserviceability has been experienced to date.

A maintenance regime for electronics and instrumentation equipment and associated systems has been implemented (Ref. Section 5.5) in conjunction with the maintenance service provider. Scheduled maintenance of facilities and systems includes (but is not limited to) the following:

- Transmitter and switch calibrations,
- Battery, UPS and charger testing,
- Smoke, fire detector bump tests and calibrations, and
- Flow meter and Gas Chromatograph challenge testing, etc.

5.8 Mechanical

Operation and maintenance of the SEA Gas pipeline has been in accordance with defined maintenance protocols, which have been progressively reviewed and amended based on operational experience.

In the course of the licence year, the following infrastructure improvements were implemented:

- Naracoorte Lateral – construction of a 1.52km steel (NB50 - API-5L Schedule 80, Grade B, Class 900) lateral pipeline and associated pressure regulation and metering facility, supplying the Teys Bros. Abattoir at Naracoorte. The lateral pipeline was commissioned to gas on 29 January 2005, and introduced into operational service shortly thereafter.
- Jervois Lateral – construction of a 1.2km steel (NB50 - API-5L Schedule 80, Grade B, Class 900) lateral pipeline and associated pressure regulation and metering facility, supplying the Dairy Farmers cheese factory at Jervois. The lateral pipeline was commissioned to gas on 14 April 2005, and introduced into operational service shortly thereafter.
- Cavan & Pelican Point Heat Tracing Project – heat tracing and thermal insulation was installed at the Cavan and Pelican Point Meter Stations along the pipe work between the water bath heater outlets and the inlets to the pressure regulators to maintain the gas temperature in the pipes under now flow conditions at 45°C.
- Following an environmental and safety audit, expanded spillage containment was installed at each water bath heater installation following identification of a spillage risk in the event of fluid expansion and overflow of the header tank.
- Following a site safety audit, manual isolation valve gearboxes (downstream of flow control valves) were rotated at each of the Adelaide meter stations, reducing the risk for workplace injury during valve operation.

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

- Registered pressure vessels were inspected and re-certified by an independent third party, in accordance with Australian Standard AS3788, Pressure Equipment In-service Inspection.

5.9 Gas Compression Facilities

Following practical completion and entry into service of the Coomandook (SA) gas compression during March 2004, the second gas compression facility at Miakite (Vic) achieved practical completion on 6 December 2004, and subsequently entered operational service following a commissioning period.

The Miakite gas compression facility is essentially a replication of the Coomandook facility, however as a result of stringent exhaust emission parameters required by the Victorian Environment Protection Authority, the Miakite facility features low NO_x (Oxides of Nitrogen) burners to enable the facility to comply with emissions requirements.

5.10 Noise Emissions

No third party complaints have been received in relation to noise emissions from any SEA Gas operational facility or activity during the licence year.

6.0 INCIDENT REPORTING

A summary of reportable incidents is detailed at Table 3 in accordance with Section 33(1)(f)(i) of the Petroleum Regulations 2000. Detailing non-compliances with stated SEO objectives and reportable incidents (previously reported to the PIRSA-Petroleum Group and detailed in quarterly reports during the 2004 - 2005 licence year), the summary also provides an indication of management measures and current status:

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
 2004 – 2005 Licence Year*

Table 3 – Reportable South Australian Incidents (2004 / 2005 Licence Year)

Date Incident No.	KP	Aspect	Impact	Closeout Action	Status
03 Aug 04 4608	673.9	Public Safety & Risk - Unauthorised third party activity on easement	Potential impact to asset integrity and public safety	Re-training of third party in relation to Job Safety Hazard Analysis & Permit to Work system, in addition to pipeline safety awareness.	Closed
30 Sep 04 3028	634.5	Public Safety & Risk - Third party failure to request Work Permit	Potential impact to asset integrity and public safety	Re-training of third party in relation to Job Safety Hazard Analysis & Permit to Work system, in addition to pipeline safety awareness. No further incidents noted during licence year.	Closed
26 Nov 04 IR.006	288.3	Failure to conduct grit blasting operations in accordance with EPA Guidelines	Failure to contain grit blasting media	Suspension of grit blasting activities pending compliance to EPA Guidelines. Not subject to EPA investigation	Closed
02 Dec 04 4253	288.3	Failure to adopt adequate precautions during plant refuelling operations	Discharge of four litres of diesel fuel to ground	Site clean up initiated in accordance with spill containment procedure. Amendment to refuelling procedure in relation to designated areas and by trained personnel	Closed
16 Dec 04 4254	288.3	Safety – Medical Treatment Injury	Field operative lacerated finger whilst removing joint coating material	Review to procedure and use of PPE	Closed
07 Dec 04 SA291	667.0	Visual Amenity	Remaining surplus pipe on easement	Pipeline constructor directed to remove surplus pipe from easement	Closed
15 – 17 Dec 04 SA107, SA115 & SA204A	474.0 501.0 606.0	Visual Amenity	Outstanding easement restoration including rock picking, rubble removal and reseeding	Pipeline constructor directed to remediate affected areas of easement in accordance with defect liability obligations	Closed

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
 2004 – 2005 Licence Year*

Date Incident No.	KP	Aspect	Impact	Closeout Action	Status
17 Dec 04 SA205A	607.0	Land Use – No new weed infestations	Landholder identified 'new plant' on easement following construction, subsequently identified as native to area (<i>Lythrum lyssopifolia</i>)	Confirmation by State Herbarium that plant is indigenous to area	Closed
21 – 30 Dec 04 SA152, SA167, SA181 & SA188	549.0 564.0 579.0 586.0	Trench Subsidence – following heavy rainfall event	Soils & Terrain & Public Safety	Pipeline constructor directed to remediate affected areas of easement in accordance with defect liability obligations	Closed
12 Jan 05 SA227	629.0	Soils & Terrain	Soil inversion following backfilling of pipeline trench & easement	Pipeline constructor directed to remediate affected areas of easement in accordance with defect liability obligations	Open
12 Feb 05 SA181	580.5	Public Safety & Risk - Unauthorised third party activity on easement	Potential impact to asset integrity and public safety	Landholder attended pipeline safety & awareness seminar, allied with closer liaison re activity notification when operating on easement	Closed
02 Mar 05 SA233	614.0	Public Safety & Risk	Third party contractor operating on behalf of pipeline constructor during fire ban day, without due care	Pipeline constructor directed to highlight Job Hazard Analysis and Permit to Work protocols to its workforce.	Closed
05 Mar 05 SA294	673.9	Public Safety & Risk - Unauthorised third party activity on easement	Potential impact to asset integrity and public safety	Further training of third party in relation to Job Safety Hazard Analysis & Permit to Work system, in addition to pipeline safety awareness.	Closed
12 Mar 05 SA172	568.2	Soils & Terrain	Soil compaction following easement reinstatement and trench subsidence	Pipeline constructor directed to remediate affected areas of easement in accordance with defect liability obligations	Closed

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
 2004 – 2005 Licence Year*

Date Incident No.	KP	Aspect	Impact	Closeout Action	Status
12 Mar 05 SA163	558.7	Soils & Terrain	Soil inversion following backfilling of pipeline trench & easement	Pipeline constructor directed to remediate affected areas of easement in accordance with defect liability obligations	Closed
18 Mar 05 SA174 & SA168A	571.3 585.4	Soils & Terrain	Soil inversion following backfilling of pipeline trench & easement	Pipeline constructor directed to remediate affected areas of easement in accordance with defect liability obligations	Closed
18 Mar 05 SA301	682.6	Failure to adopt adequate precautions when using chemicals	Discharge of 0.5 litres of corrosion inhibitor to ground during decanting process	Site clean up initiated in accordance with spill containment procedure. Amendment to handling procedure in relation to bunding requirements	Closed
21 Mar 05 SA294	672.8	Soil Contamination – Spill to Ground	Discharge of corrosion inhibitor solution following expansion and overflow of water bath heater	Engineering changes to water bath heater overflow and containment of overflow solution	Closed
05 Apr 05 SA211	601.0	Soils and Terrain	Soil compaction & trench subsidence	Pipeline constructor directed to remediate affected areas of easement in accordance with defect liability obligations	Closed
05 Apr 05 SA291	648.0	Soils & Terrain	Trench subsidence	Pipeline constructor directed to remediate affected areas of easement in accordance with defect liability obligations	Closed
16 May 05 SA188	583.0	Soils & Terrain	Erosion & Sedimentation following heavy rainfall event	Pipeline constructor directed to remediate affected areas of easement in accordance with defect liability obligations	Open

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
 2004 – 2005 Licence Year*

Date Incident No.	KP	Aspect	Impact	Closeout Action	Status
23 May 05 SA117	496.0	Ecology – Remnant Vegetation Regrowth	Regrowth of native Nitre-bush (<i>Nitaria billardierei</i>) along the easement has been contested by landholder as harbouring vermin	Landholder seeks to have regrowth removed in consultation with Native Vegetation Council.	Open
28 May 05 SA224C	611.0	Soils & Terrain	Subsidence along easement following heavy rainfall event	Pipeline constructor directed to remediate affected areas of easement in accordance with defect liability obligations	Open
28 May 05 SA275	642.0	Soils & Terrain	Subsidence along easement following heavy rainfall event	Pipeline constructor directed to remediate affected areas of easement in accordance with defect liability obligations	Closed
28 May 05 SA167	550.0	Soils & Terrain	Erosion and sedimentation of Salt Creek following heavy rainfall event.	Remediation of site to occur in consultation with stakeholders	Open
09 Jun 05	664.0	Public Safety & Risk - Unauthorised third party activity on easement	Potential impact to asset integrity and public safety	Transport SA & its sub contractor formally notified (in conjunction with PIRSA). Pipeline safety and awareness seminar presented to sub contractor, allied with notification requirements when operating on SEA Gas easement	Closed

7.0 LAND MANAGEMENT

7.1 Land Tenure

South Australian landholders (304) account for 53.0% of all landholders along the SEA Gas pipeline route, ongoing consultation and management of operational issues continue to be foremost among operational activities, with a view to continued safe third party operations in the vicinity of the pipeline.

7.2 Stakeholder Liaison

In the course of the licence year ongoing contact was maintained with stakeholders along the pipeline route, enabling SEA Gas staff to present pipeline safety awareness information, coupled with maintaining an operational relationship with the intent of ensuring compliance with SEO objectives.

During the course of the visitation programme, a consultative approach was adopted in order to effectively manage operational issues, pertaining to safe conduct of third party activities in the vicinity of the pipeline.

As part of the stakeholder consultation programme, an extensive series of pipeline safety and awareness sessions was presented to emergency services, utilities, major infrastructure projects and interest groups.

Stakeholder safety awareness was supported by an extensive media campaign and correspondence programme, and revision of the SEA Gas Pipeline Safety Brochure (Ref. Appendix A) during the course of the licence year.

7.3 Asset Management

Land asset management continues to be facilitated by proprietary land management software, enabling automatic notification in respect of land transactions involving SEA Gas easement holdings. Subsequent contact by SEA Gas Land Liaison staff provides opportunities to meet with new landowners along the pipeline easement, enabling provision of safety information and appraisals of encumbrances and land use changes on properties along the pipeline.

In addition to land asset management protocols, an extensive Geographical Information System (GIS) provides SEA Gas operations personnel with information linking landowner contact details, title and location references, design details and other asset information.

7.4 Pipeline Safety Awareness

Pipeline safety awareness sessions continue to be presented to civil works contractors, earthmovers, agricultural service companies, councils, emergency services, utilities, quarry operators, rail authorities, developers and other interested stakeholders along the SEA Gas pipeline route.

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

Additionally SEA Gas has continued to present emergency response training sessions for the South Australian State Disaster Committee and each emergency Local Service Area Group (i.e. - Country Fire Service, Metropolitan Fire Service, SA Police, SA Ambulance, State Emergency Service, Councils and disaster recovery groups) in the vicinity of the pipeline route.

7.5 Pipeline Location and Referral Services

During the course of the 2004 - 2005 licence year 489 enquiries were received via the Freecall 1100 “Dial Before You Dig” asset referral service, resulting in 189 in-field responses in relation to third party activities along the pipeline easement.

The Dial Before You Dig referral service has been effective in promoting asset awareness among third party operators, in accordance with Australian Standard AS 2885 requirements.

Increased awareness of the SEA Gas pipeline has significantly expanded the use of the 1100 asset referral service by third party stakeholders, enabling the SEA Gas maintenance provider to action in-field asset location and supervision of activities within close proximity to the SEA Gas pipeline.

8.0 ENVIRONMENTAL MANAGEMENT

8.1 Post Construction Environmental Management

Ongoing post construction environmental monitoring and management of the SEA Gas pipeline easement in accordance with stated SEO objectives, was maintained during the 2004 - 2005 licence year. During the licence year several unseasonable heavy rainfall events compromised environmental stability along the pipeline easement, resulting in erosion and subsidence following each event.

In the course of environmental monitoring activities, the following observations were noted:

- Natural regeneration of native plant species in areas previously cleared during construction continues to be promising, with some areas exceeding the quality of vegetation prior to construction. This is particularly evident on Torrens Island, where a community of Coast Bitterbush (*Adriana klotzschii*) has regenerated along the pipeline easement and has subsequently played hosted to a community of Bitterbush blue (*Theclinesthes albocinta*) butterflies.
- Sites revegetated by the pipeline constructor continue to be monitored, the majority of which have exhibited promising growth considering the lower than average rainfall during the licence year. All revegetation sites are subject to further monitoring, with a view to supplemental planting during autumn 2006.
- Creek-crossing stability has exceeded expectation, with no observed erosion in tributaries along the pipeline route beyond a washout at Salt Creek, north of Murray Bridge, following a 1/100 year rainfall event. SEA Gas is in the process of reinstating this site in consultation with affected stakeholders.

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

- No reported or observed weed or pathogen outbreaks along the pipeline easement during the licence year, confirms that washdown and inspection protocols adopted by the pipeline constructor were effective in managing weed and pathogen spread.

8.2 Net Gain Offsets

Extensive consultation has occurred during the licence year, with a view to securing sustainable net gain offset projects, which fulfill post construction net gain offset obligations. In the course of consultations it is proposed that SEA Gas will contribute to revegetation, weed management, riparian management and conservation initiatives at specific sites in close proximity to the pipeline route.

It is intended that the Native Vegetation Council endorse the SEA Gas net gain offset proposals by November 2005, enabling projects to eventuate thereafter. In developing its net gain offset protocols; SEA Gas was intent on long-term environmental sustainability, with a view to ensuring that maximum environmental value is achieved.

8.3 Compliance with Statement of Environmental Objectives

During the course of the 2004 – 2005 licence year SEA Gas complied with all but one (Spill Response) of its stated environmental objectives, as detailed within its Statement of Environmental Objectives. Measures have been implemented to ensure that similar incidents (Ref. Section 6) do not occur in the course of conducting operational activities.

As a matter of priority, all safety related issues are dealt with in a prompt manner following initial identification of non-conformances. However it should be noted that post construction environmental remediation of the pipeline easement remains contractually in the hands of the constructor, until the expiration of the post construction defect liability period. SEA Gas is somewhat restricted in its ability to influence environmental remediation strategies until the expiration of this period.

The influence of unseasonably heavy rainfall events during the licence year, resulted in extraordinary erosion and subsidence along the pipeline easement, requiring remediation strategies to be developed in conjunction with all affected stakeholders, so as to bring about longer term environmental sustainability and compliance with environmental objectives.

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

9.0 EMERGENCY RESPONSE

In the course of the 2004 - 2005 licence year, SEA Gas, in conjunction with its maintenance service providers, conducted five emergency response exercises, in accordance with Subregulation 31(3) of the Petroleum Regulations 2000.

9.1 Exercise Capricorn

Conducted during August 2004 by an independent third party incident management provider, "Exercise Capricorn" provided SEA Gas and its maintenance service provider with a realistic opportunity to implement both the incident and crisis management plans in response to a simulated pipeline incident.

Simulating an incident, which resulted in third party damage to the pipeline and resulting compromised operational conditions, the exercise generating team progressively escalated the exercise realism through telephone, media and trauma simulations.

In response to the exercise amendments to the SEA Gas incident and crisis management plans have been implemented, allied with additional training of staff and maintenance contractors.

9.2 SEA Gas Call-In Exercises

Conducted during October 2004 and March 2005 respectively, SEA Gas staff participated in two call-in exercises, which exercised communications protocols and determined staff availability. Both exercises were unannounced and conducted out-of-hours, subsequently required staff to mobilise to the SEA Gas office and activate the incident management plan, as would be the case in the event of an actual incident being reported.

As a result of these exercises, staff have gained valuable emergency preparedness skills, coupled with gaining familiarity in implementing the SEA Gas Emergency Response Plan.

9.3 Exercise Goanna - Victorian Gas Industry Exercise

During March 2005, SEA Gas participated in the Victorian Gas Industry emergency response exercise, with the scenario highlighting the susceptibility of gas transmission and distribution networks to unauthorised third party physical and electronic interference.

Managed as an open forum desktop exercise by Worley on behalf of the Victorian Office of Gas Safety, the exercise enabled industry participants and emergency services representatives to walk through a realistic scenario.

This exercise highlighted the need for increased communication between gas regulators, shippers and gas suppliers, in relation to curtailment, back-up facilities and cross border pipeline operations.

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

9.4 Exercise Southern Exposure

During April 2005 SEA Gas facilitated a desktop emergency response exercise in Warrnambool, Victoria, during which 40 participants from 18 agencies, managed a scenario, which required co-operative emergency management protocols to be implemented.

Involving emergency services, utilities, local government, health, state & local government, Office of Gas Safety and South Australian (Mt. Gambier) SES participants, the exercise simulated a geological event, which compromised pipeline operations and simulated local area community impacts.

Various learning's were realised as a result of the exercise, including closer dialogue between agencies prior to the issue of information to the media, communications protocols, development of closer emergency management ties between industry and emergency services and emergency management familiarisation amongst response agencies.

As a result of the success and interest generated by this exercise, it is intended that a similar exercise be managed involving participants from the equivalent South Australian agencies.

10.0 REGULATORY COMPLIANCE

During the 2003 - 2004 licence year, operational activities, including the construction of two lateral pipelines, in conjunction with post-construction issues, were managed in accordance with applicable Acts & Regulations, AS2885, pipeline licence conditions and relevant environmental management criteria.

Non-conformances with stated SEO objectives and operational incidents noted during the course of the licence year were notified to PIRSA (i.e. 'serious' or 'reportable' incidents as defined in the SA Petroleum Act 2000) and formally documented in the course of the quarterly reporting schedules.

Operational incidents and SEO non-conformances have been managed by SEA Gas as the licence holder, inclusive of appropriate actions and close out (Ref. Section 6.0).

11.0 RISK MANAGEMENT

SEA Gas is currently in the process of reviewing operational risks, with assessments including inputs from experienced gas industry personnel and emergency services representatives, providing an insight into potential new risks and assisting in the development of appropriate management strategies.

Concurrent review of the Victorian Gas Safety Case (a requisite condition of a Victorian pipeline licence) has provided an opportunity to review previously identified operational risks, and allied policies, procedures and work instructions which safeguard against their likely effects upon operational activities.

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

Credible operational risk elements have been reduced to As Low as Reasonable Practicable (ALARP), and include:

- Unauthorised third party activities or unauthorised land use changes,
- Unauthorised use of heavy machinery in the vicinity of the pipeline, and
- Heightened security alerts in light of the Australian Government's counter terrorism advices.

SEA Gas has implemented the following risk management strategies to maintain defined risks to ALARP, measures include:

- Aerial and ground monitoring of easement activities,
- Security patrols & electronic surveillance of facilities,
- Permit to Work System & Safety Induction Systems,
- Pipeline and Safety Awareness programmes,
- Land ownership and use notification system,
- Landholder & stakeholder contact programme,
- Participation in state forums for external threat management,
- 1100 Dial Before You Dig & Dig safe internet based asset information systems,

12.0 MANAGEMENT SYSTEM AUDITS

12.1 Construction Audits & Reporting

During the 2004 - 2005 licence year the following operational audits were conducted either internally by SEA Gas or by third parties:

- Safety Audits of all SEA Gas facilities,
- External audit of SEA Gas Safety Management Systems in relation to AS4801 compliance and certification,
- Victorian Office of Gas Safety Compliance Audit, and
- Zurich Insurance Facility Safety Inspections

Where applicable, post audit recommendations and corrective actions were implemented to ensure close out following each audit.

12.2 Environmental Audits

SEA Gas conducted environmental monitoring during the 2004 - 2005 licence year in order to assess compliance with stated SEO objectives and to assess post construction environmental regeneration. As a result of monitoring activities environmental improvements have been implemented in consultation with relevant stakeholders.

Reportable incidents and operational issues relating to audits and inspections were communicated to PIRSA in the course of quarterly reporting. Where applicable, corrective actions were implemented to ensure compliance with stated environmental objectives.

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

It is intended that an independent whole of pipeline environmental audit will be conducted during the 2005 – 2006 licence year, in conjunction with representatives from PIRSA and the Victorian Department of Sustainability & Environment. It is intended that this audit will verify existing environmental management strategies, in association with developing amended strategies for those post-construction areas, which require further maintenance.

12.3 Health and Safety Audits

During the 2004 - 2005 licence year, SEA Gas conducted Health and Safety audits of its pipeline facilities and of operational activities being conducted by its maintenance contractors. Audits indicated SEA Gas complied with applicable South Australian and Victorian, Occupational Health, Safety & Welfare requirements.

In addition to external audits, SEA Gas conducts quarterly facility, building and motor vehicle safety audits. Corrective actions arising from these audits are actioned in a timely manner to minimise operational risks.

13.0 REPORTS ISSUED DURING THE 2004 -2005 LICENCE YEAR

The following reports were issued and forwarded to PIRSA-Petroleum Group, during 2004 - 2005 licence year:

- PL 13 Annual Report for 2003 - 2004 licence year (forwarded May 2004),
- Quarterly Report (period July – September 2004),
- Quarterly Report (period October – December 2004),
- Quarterly Report (period January – March 2005),
- Quarterly Report (period April – June 2005),

14.0 VOLUME OF PRODUCT TRANSPORTED

During the course of the 2004 – 2005 licence year, approximately 27.1PJ of natural gas was transported through the South East Australia Gas Pty Ltd, transmission pipeline from Port Campbell to Adelaide (inclusive of laterals).

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
2004 – 2005 Licence Year*

15.0 PROPOSED OPERATIONAL ACTIVITIES FOR 2005 - 2006 LICENCE YEAR

In accordance with its regulatory compliance obligations, SEA Gas proposes to conduct the following activities during the 2005 - 2006 licence year:

- Scheduled maintenance in relation to main line valve, metering, regulation and gas quality infrastructure,
- Cathodic Protection system monitoring,
- Ongoing restoration and rehabilitation of the pipeline easement, including revegetation by way of plantings in accordance with net gain offset commitments,
- Environmental monitoring and stakeholder contacts,
- Scheduled aerial and ground patrols of the pipeline easement,
- Ongoing pipeline and safety awareness seminars and emergency response training for emergency services, utilities and safety critical stakeholders,
- Mobilisation - Emergency Response & Crisis Management Exercise, and
- Development of ongoing (with others) regional supply opportunities.

16.0 STATEMENT OF EXPENDITURE

Information relating to SEA Gas expenditure is provided as “Commercial In Confidence” in accordance with subregulation 33(5) of the Petroleum Regulations 2000, where public disclosure is not required in accordance with subregulation 33(3).

Refer to Appendix C (Commercial In Confidence – Restricted Distribution).

Annual Report (PL13) – Port Campbell to Adelaide Pipeline
 2004 – 2005 Licence Year

Appendix A – Revised SEA Gas Pipeline Safety Brochure

**NATURAL GAS
 CLEAN, GREEN AND EFFICIENT**

Natural gas is transported in the SEA Gas pipeline from Port Campbell in southwest Victoria to Adelaide, South Australia. Natural Gas provides a reliable and competitive source of energy to homes and industrial and commercial users. Natural gas is more efficient and has less impact on the environment than traditional sources of energy, which in turn reduces green house gases.



SOUTH EAST AUSTRALIA GAS PTY LTD

South East Australia Gas Pty Ltd (SEA Gas) operates the 680km long high pressure SEA Gas pipeline. Origin Energy, International Power and TXU own the pipeline. A dedicated control centre located in SEA Gas' Adelaide-based head office monitors and manages day-to-day operations and activities along the pipeline.

The SEA Gas pipeline is designed, constructed and operated in accordance with Australian Standards and Legislative Requirements, at pressures that can be greater than 15,000 kPa (2220 psi).

WE VALUE YOUR OBSERVATIONS

SEA Gas strives for continuous improvement. Please contact us with any observations regarding any unusual activities on the pipeline easement and its facilities. Interference or damage to the pipeline could put your safety, the safety of others and community services at risk.

Please use our **TOLL FREE NUMBER 1800 808 008** to report any observations which may include:

- Damaged or fallen marker posts
- Erosion, washouts or trench subsidence
- Unauthorised access to property or facilities
- Vandalism to facilities, pipeline or marker signs
- Flooding
- Accidental damage to the pipeline or facilities
- Earthworks or developments along the pipeline easement



South East Australia
SEA gas

PIPELINE SAFETY




IN AN EMERGENCY

1. In the event of a gas leakage, evacuate everyone to a position at least 700 metres upwind.
2. Notify emergency services (ie. Police, Fire Service, Ambulance)
3. Eliminate any possible source of ignition
4. Call SEA Gas immediately on our Toll Free Number:

1800 808 008

5. Tell the SEA Gas Controller the state of the situation

Do not attempt to extinguish any gas fires!

**SEA Gas
 NATURAL GAS PIPELINE
 THE ENERGY LINK**

Annual Report (PL13) – Port Campbell to Adelaide Pipeline 2004 – 2005 Licence Year

RESTRICTED PIPELINE ACTIVITIES

To ensure the safety of you and others, and that of the pipeline and surrounding environment, SEA Gas must be consulted in relation to the following activities along the pipeline route:

- Directional boring or drilling
- Installation of fence or strainer posts near the pipeline
- Construction of sheds, dwellings or other structures
- Construction of dams, swimming pools, ponds or tanks
- Planting of trees near the easement.



PIPELINE REGULATED ACTIVITIES

Please advise SEA Gas on our toll-free number (1800 808 008) prior to undertaking any of the following activities along the pipeline route:

- Excavations and earthwork of any type, other than agricultural cultivation or ripping to a depth not exceeding 400mm
- Crossing of the pipeline by pipes, drains or other services
- Installation of power lines or poles nearby
- Construction or alteration of roads, access tracks or driveways near the pipeline
- Construction of any structure
- Construction of dams, or temporary flooding of the area
- Blasting or seismic activities within 1km of the pipeline
- Crossing the pipeline with heavy vehicles at other than designated crossing points

SEA Gas can provide **FREE ADVICE** in relation to any proposed activity in the vicinity of the pipeline.

PIPELINE EASEMENTS

The pipeline easement is the area within which the pipeline is located. Pipeline easements can be as much as 25 metres wide. However, in order to minimise impacts on landowners and the environment, SEA Gas has, wherever possible, minimised the width of the easement in which we operate. The prime focus is to safeguard the pipeline from interference, thereby providing a safe operating environment.

Severe penalties can be imposed against persons who endanger the safe operation of a pipeline and the lives of others, by interfering with or damaging the pipeline or facilities.

MARKER POSTS

Pipeline marker posts serve to indicate that there is a high-pressure pipeline nearby. Use our free onsite locations service to confirm the precise location of the pipeline before you commence any works on or near the pipeline easement.



PIPELINE PATROLS

SEA Gas operates regular ground and aerial pipeline patrols to ensure that no unauthorised activities affect the safe operation of the pipeline.

IN AN EMERGENCY

1. In the event of a gas leakage, evacuate everyone to a position at least 700 metres upwind
2. Notify emergency services (ie. Police, Fire Service, Ambulance)
3. Eliminate any possible source of ignition
4. Call SEA Gas immediately on our Toll Free Number

1800 808 008

5. Tell the SEA Gas Controller the state of the situation

Do not attempt to extinguish any gas fires!



FREE PIPELINE LOCATION SERVICE

SEA Gas supports the 'Dial Before You Dig Service'

SEA Gas also offers a free on site pipeline locations service for all landholders, stakeholders, contractors and utilities. Before you commence any work in the vicinity of the pipeline, please contact SEA Gas on our toll free number:



1800 808 008

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
 2004 – 2005 Licence Year*

Appendix B – Assessment of Compliance with SEO Objectives

Issue	Relevant Operational Environmental Objectives (Per November 2002 SEO Document)	Comments	Compliance (YES / NO)
Soils & Terrain	17.a To appropriately minimise & manage adverse impacts to the soils & terrain of the easement.	Ongoing pipeline easement monitoring & timely repair of trench subsidence & erosion. Environmental monitoring of sites.	YES YES
	17.b To appropriately monitor rehabilitation of soils & terrain on the easement.	Ongoing monitoring of easement restoration through regular landholder contacts & easement patrols. Environmental monitoring of rehabilitation sites.	YES
Groundwater	18.a To appropriately minimise & manage adverse impacts to shallow groundwater resources.	No groundwater contamination arising from operational activities along the pipeline easement.	YES
Surface Water	19.a To appropriately minimise & manage adverse impacts to surface water resources.	No surface water contamination arising from operational activities along the pipeline easement.	YES
	19.b To appropriately monitor rehabilitation of surface drainage patterns on easement.	Surface drainage patterns were reinstated to an 'as found' condition following pipeline construction. Environmental monitoring of sites during the licence year confirms no impacts to drainage patterns. No disruption to third party users of surface waters.	YES YES
Watercourse Crossings	20.a To appropriately monitor rehabilitation of watercourse crossing locations.	Environmental monitoring of watercourse crossings confirms long-term site stability, in other than extraordinary rainfall event at Salt Creek. Identified instability repaired in a timely manner.	YES
Air Emissions	21.a To appropriately minimise & manage adverse impacts to air quality as a result of operations.	No nuisance dust or emissions to air from operation of equipment, pipeline and associated infrastructure.	YES
		Compressor Station complies with EPA requirements	YES

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
 2004 – 2005 Licence Year*

Issue	Relevant Operational Environmental Objectives (Per November 2002 SEO Document)	Comments	Compliance (YES / NO)
Noise Emissions	22.a To meet regulatory requirements for noise emissions from the Compressor Station & other pipeline infrastructure.	No noise impacts from operational activities	YES
		No noise impacts associated with pipeline operations and associated infrastructure.	YES
Greenhouse Gas Emissions	23.a To appropriately manage greenhouse emissions from associated processing plants and pipelines.	Minimisation of greenhouse gas emissions and recording of emissions arising from operational activities	YES
Ecology	24.a To appropriately minimise & manage adverse impacts to ecological values of the easement.	No adverse impacts to ecology in the course of operational activities – revegetation activities and easement rehabilitation strategies are ongoing	YES
	24.b To appropriately monitor rehabilitation of the easement.	Management of easement revegetation in consultation with landholders and agricultural best practice Environmental monitoring of broad acre and native vegetation regrowth	YES YES
Indigenous Heritage	25.a To appropriately minimise & manage adverse impacts to identified Indigenous heritage sites.	Indigenous heritage sites and culturally significant vegetation was not impacted during the course of operational activities Appropriate protocols in place for management of cultural heritage sites and materials, in the course of operational activities – easement inspections prior to and during construction of lateral pipelines at Naracoorte & Jervis	YES YES
Historical Heritage	26.a To appropriately minimise & manage adverse impacts to identified historical heritage sites.	No damage to built heritage in the course of operational activities	YES
		Appropriate protocols in place for management of historical heritage sites and materials, in the course of operational activities.	YES

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
 2004 – 2005 Licence Year*

Issue	Relevant Operational Environmental Objectives (Per November 2002 SEO Document)	Comments	Compliance (YES / NO)
Land Use	27.a To appropriately minimise & manage adverse impacts to land use activities during operations.	No adverse effects to stock, agricultural productivity during operational activities	YES
		No disturbances to landowner assets & infrastructure during operational activities	YES
	27.b To appropriately monitor land use productivity post construction.	No impacts to recreational values or residential & industrial activities arising from operational activities	YES
		Post construction environmental monitoring of agricultural areas is ongoing	YES
Visual Amenity	28.a To appropriately minimise & manage adverse impacts on visual amenity.	No adverse impact to visual amenity. Progressive revegetation and reinstatement of easement.	YES
	28.b To appropriately monitor easement rehabilitation to minimise long term visual amenity impacts.	Post construction environmental monitoring is ongoing pending expiration of post construction defect liability period	YES
Third Party Infrastructure	29.a To minimise & where practicable avoid impacts to transport networks, private property & to public utilities.	Post construction repairs of road infrastructure have indicated long term stability	YES
		No unacceptable disturbance to local traffic conditions & access (subsidence across access tracks repaired in a timely manner)	YES
	29.b To appropriately monitor reinstated third party infrastructure.	No damage to public utilities in the course of operational activities No compromise to public or employee safety	YES YES

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
 2004 – 2005 Licence Year*

Issue	Relevant Operational Environmental Objectives (Per November 2002 SEO Document)	Comments	Compliance (YES / NO)
Waste Disposal	30.a To effectively minimise & manage all waste generated during operations & to dispose of all waste in an appropriate manner.	No environmental effects arising from operational wastes (all wastes managed in accordance with approved waste tracking protocols). Waste materials disposed of in appropriate manner. SEA Gas employees conversant with waste minimisation and disposal protocols. In-house waste minimisation & recycling initiatives implemented	YES YES YES
Spill Response	31.a To prevent, minimise & manage spills occurring during operations. 31.b To appropriately monitor remediated spill locations (where applicable).	Hazardous materials storage & distribution in accordance with approved protocols. Personnel trained in spill prevention & response procedures No spills in the course of construction and operational activities (Ref. Incident summary)	YES YES NO
Public Safety & Risk	32.a To incorporate operational & maintenance requirements in line with AS 2885.1 to ensure risk level associated with threats is sufficiently dealt (i.e. - As Low As Reasonably Practicable).	Operational risks managed in accordance with AS 2885.1 mitigation protocols.	YES
Stakeholder Consultation	33.a To identify & satisfy stakeholders need for information by establishing two-way communication & resolution of issues during operations.	Active landholder and third party stakeholder consultation.	YES

*Annual Report (PL13) – Port Campbell to Adelaide Pipeline
 2004 – 2005 Licence Year*

Issue	Relevant Operational Environmental Objectives (Per November 2002 SEO Document)	Comments	Compliance (YES / NO)
Unplanned Incidents	34.a To minimise & manage the occurrence of third party damage to the pipeline, risks to public health & safety	Adequate management of third party operations in accordance with AS 2885.1 requirements.	YES
		Scheduled ground and aerial inspection of pipeline and timely repair of defects following observation	YES
	34.b To minimise & manage adverse impacts to air quality & public amenity.	Public safety managed during scheduled gas venting associated with maintenance activities. Unplanned incidents managed in accordance with emergency response plan	YES
		Management of fire risks in accordance with engineering and risk management protocols	YES
	34.c To adequately ensure the security of production or supply of natural gas.	Security of supply integral through scheduled operations & maintenance activities	YES
Emergency Response	35.a To ensure that all emergency responses are immediate, to reduce the severity of any emergency gas release & to follow existing procedures whilst maintaining public & personnel safety as a priority.	Emergency response initiatives practiced through annual exercise, which exceed the minimum legislative requirement	YES
		Management of public & employee safety paramount and featured foremost within emergency response plan.	YES
	35.b To adequately ensure the security of production or supply of natural gas.	Security of supply integral through scheduled operations & maintenance activities.	YES