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**South Australian Government
Department of Primary Industries and Resources Licence 8
Report
2007 - 2008**

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1. INTRODUCTION

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

2. REGULATED ACTIVITIES

2.1 Inline Inspection (ILI)

There was one in-line inspection carried out on this section of the pipeline during the report period by GE Pii. Results are pending.

2.2 Corrosion control

2.2.1 Annual Pipe to Soil Potential Survey

The annual pipe-to-soil survey from MS00 to MS101 was completed in September 2007. All test points surveyed, were protected according to AS2832.1.

2.2.2 Cathodic Protection System

Two CP units at MS29 and MS83 protect the pipeline. No significant outages affecting protection were recorded.

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

2.3 Emergency Simulation Exercise

Conducted as per Petroleum Act requirements in January 2008.

3. ELECTRICAL & MECHANICAL MAINTENANCE

Routine 6 monthly maintenance was performed at MS00, MS29, MS55 and MS83 as per the maintenance schedule. This included 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 the requirements of Standard AS/NZS 2885.3 2001.

Six monthly and security inspections ("O" service) were completed at each valve site.

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

The easement was surveyed according to the Safety and Operating Plan. No significant issues were observed.

General housekeeping has been maintained at the valve sites.

4.2 Landowner and Emergency Services Activities

Annual Landowner liaison deliveries were completed during 2007. All three landowners in the MS00-MS101 area of the Gorodok ethane pipeline were contacted within the reporting year.

4.3 Surveillance

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

5. HEALTH, SAFETY AND ENVIRONMENT

Monthly toolbox meetings were held for the period July 2007 to June 2008 as scheduled. Topics included were; the Hazard Assessment, Permit To Work (PTW), Personal Protective Equipment (PPE), Safe Operation of Plant and Equipment, HSE Accountability, Environmental Protection, and Hazardous Materials.

There was no LTI or MTI on the ethane pipeline for this period in the South Australia area.

Satellite communications are made available to persons travelling in remote areas. Remote area kits also continue to be utilised when travelling into isolated areas.

Vehicles utilised by APA Group to carry out maintenance on the Gorodok pipeline are equipped for remote area service.

6. EMERGENCY RESPONSE

No incidents occurred during this period.

An emergency simulation exercise was conducted as per the Petroleum Act requirements in January 2008.



7. QUALITY ASSURANCE

The quality system is based on the guidelines of ISO 9001:2000, ISO 14001:2004 and AS/NZS 4801:2001 standards.

8. REGULATORY COMPLIANCE

Gorodok (owner of Moomba-Sydney ethane pipeline) and APA Group (Gorodok's operations and maintenance contractor) comply with all relevant Acts, regulations, the licence and Statement of Environmental Objectives.

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

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

9. MANAGEMENT SYSTEM AUDITS

During the last reporting year the May 2007 SAOP audit raised 25 action items, which needed addressing. The actions from the SAOP 2007 audit have been addressed and closed out satisfactorily.

Several audits were carried out on the management systems in place within APA during the reporting year.

An internal audit of the safety and environmental system was carried out in June 2007. Twenty-five action items were identified and were actioned.

The most recent audit of ethane pipeline and the Safety and Operating Plan (SAOP), was completed in May 2008. The final report for this audit did not identify any corrective actions.

9.1 Observations

The following observations have been raised in relation to minor issues that the Company can address within its own management system or in relation to areas that may in the future result in non-conformity to the SAOP requirements. Observations are addressed in the Company's response to the audit report, as a follow-up audit may require such observations to be elevated to CAR status.

Observation	Details of Observation
01	On monthly pump inspection sheets, provide normal (acceptable) range for instrument readings (or, if more appropriate, provide the maximum or alarm point) (Bulla Park).
02	Set up periodic bench testing of Pressure Gages both on the Units and



	out in the field (Bulla Park).
03	Set up periodic bench testing of Pressure Gages on all MLVs in the field (all centres).
04	For all sites that carry, solar batteries (also for the new satellite sites) ensure that a 6-monthly load test is included in the maintenance strategy (all centres).
05	Carry out a quality check of the new Maintenance Connection to verify that the scheduled maintenance corresponds <u>exactly</u> with the required checks and inspections (all centres).
08	The incident management system currently used is not adequate for serious incidents. Upgrade the incident management procedure and system in place (including the database).
09	Provide training for all centres in the use of the incident management system (which will be put in place for serious incidents).
10	Refresher training in Permit To Work required ASAP. Some PTW issuers' training has expired (all centres).
11	Ensure the APA Permit Issuing Officer register - which is held in the Young Control Room (in the Young Controller's <i>Permit Opening Folder</i>) - is up-to-date (Young).
12	New starters to be trained in pipeline Modification Control (all centres).
13	Training of Out-Of-Service Equipment required for new starters (all centres).
14	Define safety critical training requirements (e.g. PTW, out-of-service equipment etc. etc.) and ensure that proper training records are held by the APA Group. This may require re-training if records cannot be obtained.
15	JHAs must be filled in prior to initiating jobs at the pipeline. It is not sufficient to refer to a standard JHA without any evidence as to the fact that this standard JHA was reviewed prior to the job being carried out (Young).
16	Ensure that the Hazard Rating column on the aerial surveillance form is filled in by the surveillance operator (all centres).
17	Demonstrate that the issues and actions identified by the surveillance operator during aerial surveillance are closed out (Young).
18	Management of landowner liaison needs to be improved (Young).

9.2 Observation Actions

The following are the actions to the above observations. All actions are planned for closure by December 2008.



Observation	Observation Action
01	Instrument ranges to be determined and included within work instructions.
02	Pressure gauge verification schedules to be investigated.
03	Pressure gauge verification schedules to be investigated.
04	Pipeline modification form to be raised, recommending 6 monthly checks. Checks to be included within Maintenance database.
05	Maintenance connection has been verified during the implementation phase. Periodic internal audits will be included within the internal audit schedule.
08	The incident management system is currently being replaced with suitable system based on Figtree.
09	During the implementation of Figtree on site training is to be conducted for all users.
10	Refresher training in Permit To Work has been scheduled for completion 1 Sep 08.
11	On completion of refresher and new starter training, the permit register is to be re-issued.
12	Pipeline modification form use training is to be included in the new starter checklist.
13	Out of service equipment is to be recorded within maintenance connection database all users are currently undertaking training, completion due 1 Aug 08.
14	Training records for all personnel have been compiled and deficiencies to be addressed as required.
15	JHAs are part of the permit to work system. A national standard APA approach to PTW is currently being developed.
16	Observation noted.
17	All surveillance observations are to be recorded within maintenance connection. Non-closures will be indicated within KPI's.
18	Observation noted.

10. LIST OF REPORTS

Section 33 - Annual report (this report).



10.1 Incident Reports

No incidents were reported on this section of pipeline.

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

10.2 Emergency Simulation exercise

There was an emergency simulation exercise conducted as per Petroleum Act requirements in January 2008. The report has been provided to the department.

11. THREAT PREVENTION, MITIGATION

No reasonably foreseeable threats (other than those identified in the risk assessment previously reported) apply to this section of the pipeline.

12. FUTURE OPERATIONS

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 APA operations.

13. PIPELINE OPERATION

The quantity of ethane transported through the Moomba-Sydney ethane pipeline for the year ended 30 June 2008 is shown in the following table:

	Tonnes	m3	Max(tonnes) /day	Average (tonnes)/day
July	25160	19887	1022	812
August	26731	21141	998	862
September	24991	19875	934	806
October	25322	20059	932	817
November	25408	20078	976	820
December	11843	9373	848	382
January	18449	14605	848	595
February	20362	16067	811	702
March	22110	17404	903	706
April	23437	18489	844	781
May	27249	21459	986	877
June	27353	21730	981	912
YTD	278415	220167	1022	756



14. Statement of Expenditure

Commercial in confidence.