epic energy

2006 Annual Report

SEP SYSTEM

Pipeline Licences (PL 3 & 4)

Document Number

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LIST OF ABBREVIATIONS

ALARP	As Low As Reasonably Practicable
AS2885	Australian Standard 2885 Pipelines - Gas and Liquid Petroleum
AVT	Accuracy Verification Test
CDP	Corrosion Detection Pig
CFS	Country Fire Service
CP	Cathodic Protection
CPU	Cathodic Protection Unit
Cu/CuSO4	Copper/Copper Sulphate
DCGV	Direct Current Voltage Gradient
EMS	Environmental Management System
ERE	Emergency Response Exercise
ESD	Emergency Shut Down
GIS	Graphical Information system
GPS	Geographical Positioning System
HAZOP	Hazard Operability
HELM	Heritage, Environment and Land Management
HSE	Health, Safety and Environment
ILI	In-line Inspection
LMS	Land Management System
MAPS	Moomba to Adelaide Pipeline System
MFS	Metropolitan Fire Service
MLV	Mainline Valve
OEM	Original Equipment Manufacturer
PIRSA	Primary Industries and Resources of South Australia
PL3&4	Pipeline Licences 3 and 4
ROW	Right of Way
RTU	Remote Terminal Unit
SCADA	Supervisory Control and Data Acquisition
SE	South East region of South Australia
SEO	Statement of Environmental Objectives
SEP	SEP
SES	State Emergency Service
SMS	Safety Management System
SWER	Single Wire Earth Return
TJ	Tera Joule

1 PURPOSE

This report is submitted in accordance with the requirements of Pipeline Licence 3, Pipeline Licence 4 and the SA Petroleum Regulations 2000.

2 SCOPE

The SEP system is owned, operated and maintained by Epic Energy.

This report reviews operations carried out during 2006 and intended operations for 2007.

In accordance with the Petroleum Regulations a performance assessment is also provided with regard to the Statement of Environmental Objectives for PL 3 &4.

3 TECHNICAL INFORMATION

Table 1 summarizes the technical aspects of the SEP system and Figure 1 shows diagrammatically the pipeline systems location.

Table 1 – SEP System

	Katnook to Kimberly Clark	Glencoe to Mount Gambier	Nangwarry	Safries
Pipeline Licence	PL4	PL4	PL4	PL3
Date Constructed	1990 – 1991	1990-1991	2001	1990
Date Commissioned	March 1991	April 1991	August 2001	January 1991
Length	46.1 Kilometres	18.9 Kilometres	11.5 Kilometres	4.5 Kilometres
External Diameter	168.3 mm	168.3 mm	88.9 mm	60.3mm
Wall Thickness, mm:				
- Normal - Special Crossings	4.2 mm 5.0 mm	4.2 mm 5.0 mm	3.2 mm 4.0 mm	3.9 mm 3.9mm
Pipe Grade	API 5LX 42	API 5LX 42	API 5LX 56	ASTM A106 Gr B
MAOP	10,000 kPa	10,000 kPa	9850 kPa	10,000 kPa
Coating	Yellow Jacket	Yellow Jacket	Yellow Jacket	Yellow Jacket
Cathodic Protection	Sacrificial Anode	Sacrificial Anode	Sacrificial Anode	Sacrificial Anode
Main Line Valves	3	2	U/S & D/S isolation valves	U/S & D/S isolation valves
Actuators	Manual	Manual	Manual	Manual
Compressor Stations	Nil	Nil	Nil	Nil
Meter Stations	Kimberley Clarke	Mount Gambier	Nangwarry	Safries

Figure 1 – SEP Route Map

4 OPERATIONAL & MAINTENANCE ACTIVITIES - 2006

4.1 Risk Management Review

No formal AS2885 risk assessments were carried out on the SEP system during 2006.

No new risks were identified during routine or corrective maintenance activities during 2006.

A complete metre by metre risk assessment further risk assessment in accordance with AS2885 will be carried out in 2007.

4.2 Training

Epic Energy is committed to developing the skills of their employees and contractors to meet the operational needs of its business. During 2006 staff training was conducted in-house using a number of techniques which included training courses developed specifically for Epic Energy and delivered using self paced modules or alternatively as a group presentation using a training service provider or suitably skilled Epic Energy staff.

In addition to internal training, staff attended a range of external courses selected to further enhance their knowledge of the natural gas and liquid hydrocarbon pipeline transmission industry.

The range of training staff attended during 2006 included:

- Senior First Aid training (conducted by St John Ambulance Australia)
- Epic Energy Safety Inductions [Office, field and contractors]
- Defensive driving (Collision avoidance and 4WD training)
- Pipeline excavation training
- Introduction to Pipeline Pigging
- Gas Engine Alternator Maintenance Training
- Permit to Work training
- Emergency Response Refresher training
- AS2885 Awareness training
- Defect Assessment of Pipelines
- Manual Handling training
- Atmospheric Testing training
- Confined Space entry
- Work Zone traffic management
- Third Party Works on Pipeline Easements
- First Five minutes Fire training
- Pipeline locator use
- Pipeline Surveillance and easement activities training
- Security Awareness training
- Santos Permit to Work Revision 7
- Santos level 1 inductions for the Moomba.
- Heat stress training
- Santos Gas Detector training
- Workplace Safety
- Workplace HS&E/Operations Field Inductions
- Workplace Drugs & Alcohol
- Preventing Discrimination & Harassment

- Fatigue & Stress Management
- Hazard & Incident reporting
- OHS&W for Managers
- OHS&W Responsible Officer Training
- Men's Health Training
- Valve Maintenance
- Pressure, temperature & Level Indicator Training
- Control & Operation of Centrifugal Gas Compressors
- Fisher ROC Configuration Training
- Instrumentation for Automation Process Control
- Maintaining & Troubleshooting SLC-500 Systems using RSLogix 500
- Chainsaw training
- Time management

4.3 Operations & Maintenance Activities

Operations and maintenance activities have been conducted at programmed frequencies throughout the year.

During the course of 2006, the following activities were conducted:

- Road Patrols have been conducted on a monthly basis and any corrective maintenance items that were identified during the patrols rectified immediately by the patrolling officer or completed during regular maintenance visits by Epic Energy personnel.
- Monthly Meter, Off-take & Scraper site inspections were carried out by Epic Energy authorized contractors with no major issues identified.
- Inspection and servicing of all fire extinguishers took place with no major issues identified.
- Six monthly maintenance was carried out on all MLV's and Pig Vessels during the year.
- Six monthly maintenance was carried out on all meter stations and associated equipment.
- Three monthly Accuracy Verification Testing was conducted at all meter stations.
- Verification dig ups commenced late in March on the SEP system to validate the pigging data provided by the intelligent pigging run completed in November 05.
- Routine sampling of the SEP gas takes place to test for the presence of mercury
- Administration of the Freecall 1100 "Dial Before You Dig" system was ongoing during the year with 29 calls received relating directly to the SEP system.

4.3.1 Patrol Activities

Scheduled ground patrols of the pipeline easement and above ground facilities were conducted by Epic Energy authorized contractors throughout the year.

The ground patrols ensure that the following pipeline activities are addressed:

- Signage is in suitable condition and if not, repairs are affected as soon as is practically possible. Any issues not addressed during the patrol are fed back into the CMMS.
- Unauthorized activities that may be occurring along the pipeline route or at any of the facilities are identified and corrective actions taken
- restoration of any soil erosion due to wind and water is addressed
- Any leakage that may be occurring at any of the pipeline facilities or along the pipeline route is identified and corrective actions taken.
- all sites are secure, kept clean, neat and tidy

- Items including above ground pipe coating condition, fences, gates, padlocks, signage, fire extinguishers, weeding and other housekeeping activities are addressed at all of the facilities associated with the pipeline system.

In 2006 no significant issues were identified during any of the patrol or other routine maintenance activities.

4.3.2 Cathodic Protection

During February and October 2006 full line CP surveys were undertaken on the SEP system.

The SEP system has sacrificial zinc and magnesium anodes and as such only "ON potentials are possible". The whole of the pipeline system has satisfactory cathodic protection with only one problem resolved in the middle of 2006.

The following routine planned maintenance tasks were scheduled and completed in 2006.

Glenco to Mt Gambier

Cathodic protection surveys were carried out in February and October 2006. These surveys indicated that the pipeline is satisfactorily protected.

Katnook to Kimberley Clark lateral

Cathodic protection surveys were carried out in February and October 2006. In February a number of low potentials existed towards Katnook. Corrective maintenance actions were performed to rectify the cause of the low readings and in October all potentials where satisfactory.

These surveys indicated that the pipeline is satisfactorily protected.

Nangwarry Lateral

Cathodic protection surveys were carried out in February and October 2006. These surveys indicated that the pipeline is satisfactorily protected.

Safries Lateral

Cathodic protection surveys were carried out in February and October 2006. The February survey showed that the minimum level for cathodic protection was not being achieved. An analysis of the data showed that an insulation joint was required to be installed at the outlet of the Katnook processing plant and this has now been completed. Readings taken in the October survey showed that this modification has improved the level of cathodic protection significantly.

Summary

In conclusion the sacrificial cathodic protection system employed on the SEP is performing as per design expectations with the "On" potentials from the surveys conducted indicated that the pipeline system is polarised to the AS2832.1-1998 requirement in accordance with AS2885.3

Epic Energy maintains detailed records containing the results of all cathodic protection surveys and corrective maintenance activities filing this information in the Cathodic Protection data such that it is readily available for future reference to allow year by year comparisons.

4.3.3 Intelligent Pigging

An ILI survey was performed on the SEP in November 2005 with twenty nine defects being identified.

Of the twenty nine defects discovered by the ILI tool none of them where considered significant however it was decided that the data provide by the tool should be verified by selecting two defects and inspecting them.

During 2006 two defects were excavated (one defect on the Katnook to Kimberley Clark pipeline and the other on the Mt Gambier pipeline), pipe coating removed defect located and assessed withy the results tabulated in the table below before the pipe was recoated and back filled.

Table 1- Intelligent pigging data versus field measurements

	ILI data	Actual	ILI data	Actual
	Depth (mm)		Length (mm)	
Defect 1	0.63	0.64	35	35
Defect 2	0.55	0.5	12	12

At these locations the pipeline was also examined for evidence of SCC with none found. The two defects verified that the intelligent pigging data was accurate in both depth and length confirming that the twenty nine defects identified by the ILI tool were not significant.

4.3.4 Electrical and Instrumentation

Accuracy Verification Testing was completed on a three monthly basis at all meter stations on the SEP System. Customer representatives attended AVT's at several locations throughout the year. There were no significant measurement issues identified during the AVT's.

Electrical compliance testing was carried out on all portable electrical equipment and residual current devices (RCD's) at all sites.

Routine six monthly maintenance was carried out at all meter stations in May and November. This involved calibration of all non-billing transmitters, testing all remotely operated valves, calibration of all switches and testing of all associated systems.

A loss of communications was reported at the Apcel meter station and this fault was resolved by the local Epic Energy contractor located in Mount Gambier.

With the exception of a minor communications outage at the Apcel meter station all other communications systems on the SEP functioned without failure during 2006

No major electrical failures were reported during 2006.

4.3.5 Mechanical

All routine mechanical maintenance activities were completed as scheduled on the SEP system. This work involved MLV servicing, station dust filter inspection/replacement, door closure maintenance, coalescing filter inspection/maintenance and pig launcher/receiver maintenance.

In September a pressure reduction regulator at the Nangwarry pressure reduction station burst its diaphragm resulting in an escape of gas to atmosphere. Epic Energy deemed this an emergency

situation with maintenance staff mobilized from Dry Creek and a repair affected. Minimal gas loss resulted from the incident.

Routine inspection and maintenance activities were carried out on the pressure regulation/pressure relief systems at all South East Meter Stations on a 6 monthly basis. Maintenance tasks for the pressure control systems consisted of the inspection/replacement of pressure regulator soft-goods including seats, diaphragms, pilot seats, diaphragms and instrumentation filters to ensure correct operation of system designed set points for the active/monitor and bypass regulation systems.

Pressure Safety Valves were also checked to confirm correct set point, operation and alarming functions. Where applicable, overpressure isolation valve functions are tested to ensure satisfactory operation. All routine 6 monthly maintenance is documented via Epic Energy's computerized asset management system (Maximo) and file copies are located within the central filing system.

Routine pipeline facility building and structure inspections and maintenance has been carried out to ensure that these facilities are in a sound condition and are considered to be fit for purpose inspected and maintained as part of routine maintenance procedures are in sound condition.

The September incident where a regulator diaphragm ruptured was the only mechanical failure of import which occurred during 2006

4.3.6 Leak Detection

The Epic Energy Transportation Services Control Centre (TSCC) located in Melbourne operates a SCADA system that continuously monitors the MAPS. Incorporated into the SCADA is the Pipeline Leak Monitoring System that provides real time leak detection capability based on line-pack inventory, flows in and out of the system, gas quality and, pressure and temperature change rates. This allows the duty controller to instantly identify any action anomalies that may be occurring and notify field maintenance personnel to investigate further onsite as required.

The real time leak detection system is augmented by maintenance activities along the pipeline which assists in the identification of any pipeline leakage ensuring the appropriate resources are mobilized to address the problem in a timely manner. In addition to the field maintenance staff activities the pipeline operations group and senior maintenance staff carry out a daily check of the hourly line balance to ensure no significant leakage is occurring on the pipeline system again mobilizing staff to inspect any sites that they may identify in the course of these checks.

5 INCIDENT REPORTING

During 2006 there were 2 incidents on the pipeline system, with all incidents being investigated to identify the root cause of the incident and where possible improvements to address any short comings can be implemented. All actions that are raised are tracked to ensure their timely completion before the incident is considered to be closed out. A summary of the incidents raised in 2006 is provided in Table 3.

Table 3 Reportable Incidents for 2006

Overview	Date	Issue	Close Out Action
Third Party Encroachments			
Epic Energy have been advised of a incident breaching Epic Energy's security and safety procedures by two Origin Energy employees at the Mount Gambier meter station. The two Origin Energy employees were	06/6/06	Did not comply with expectation to notify Epic Energy to access our compound and make arrangements for an appropriate work	Directive to Origin Energy to investigate Discussion with Origin Energy to determine suitable solution

venting gas from the station pipe work to carry out odorant testing.		permit.	
In addition to the encroachment above the following actions were carried out during 2006 - All landowners and key stakeholders were contacted by phone and requested to complete a questionnaire to allow Epic Energy to ascertain their awareness of the requirements when working in the vicinity of the pipeline system - Numerous councils, utilities and key stakeholders (SES, Police etc.) were visited and a pipeline awareness presentation provided - Procedures developed to clearly identify the process to be followed within Epic Energy for third party notification and addressing DBYD enquiries - Continue the Epic Energy calendar for 2007 to remind landowners and stakeholders of the requirements when operating near the MAP - Revision of the Epic Energy safety awareness brochure was completed and mailed out to all landowners, utilities, councils and key stakeholders.			
Overview	**Date**	**Issue**	**Close Out Action**
Environmental Incidents			
South-East Pipeline KP0, Nangwarry lateral offtake. A local resident reported hearing the sound of gas escaping from a meter station and reported it to Epic. Energy	22/8/06	A regulator malfunction (worn / punctured diaphragm) allowed gas to bypass the valve.	FMO dispatched to repair regulator

6 LAND MANAGEMENT

6.1 Land Owner Liaisons

A new revised pipeline safety brochure has been developed and provided to the 85 landholders whose properties are impacted by the SEP system.

All available landowners on the pipeline were contacted by phone during the year and a questionnaire was completed during each call. The questions were centered on people's awareness of the pipeline location and their responsibilities with respect to works in the pipeline vicinity.

In addition to the phone contacts, all available landowners on the Katnook – South East Pipeline were visited personally by an Epic Energy representative during 2006. (Property owners not at home or otherwise unavailable were left a questionnaire to complete along with pipeline safety information pack.)

Epic Energy's policy of attempting to visit all SEP system landowners twice a year will mean that landowners not visited in 2006 will be captured in the early part of 2007.

During the property owner visits the Epic Energy representative completes a questionnaire designed to ascertain the landowner's awareness of the pipeline system. In addition to the questionnaire a safety awareness information pack is provided which explains the requirements an individual must follow when working in the vicinity of an underground pipeline system.

As part of Epic Energy's continuous improvement program for pipeline awareness all of the SEP system landowners were posted two letters during the year containing information covering pipeline safety and their responsibilities to ensure no safety breaches occur on their properties. An Epic Energy year 2007 calendar reminding the landowner of pipeline safety was also forwarded in December 2006.

6.2 Pipeline Safety Awareness

Epic Energy implements a Community Awareness Program, which entails holding awareness meetings with communities along the pipeline route. To cover the various pipeline infrastructure that Epic Energy operates and maintains in South Australia Epic Energy have set a target of 30 meetings annually with CFS, MFS, Police, Ambulance, SES, councils, earth moving contractors, irrigation and fencing installation contractors.

The presentations for the SEP pipeline systems focus on the general properties of natural gas, the process of gas transmission by pipeline, location of the high pressure gas pipeline in the region concerned, correct procedures when working within the gas pipeline easements, pipeline threats and dealing with emergency situations.

To meet its community awareness commitment for the SEP system in 2006 Epic Energy conducted a total of 7 presentations in the South Australia South East localities in 2006.

To effectively communicate the “Do’s and Don’ts” when working in the vicinity of a high pressure gas pipeline Epic Energy encourages the target organizations to allow managers and field operatives attend these presentation to ensure that the work force has all of the information that they require to effectively perform their duties be they members of the emergency services or civil contractors working near the pipeline.

6.3 Pipeline Location and Referral Services

Epic Energy provides a free service to locate any pipeline that they own or operate on behalf of third parties. This service is primarily used by other companies and third parties carrying out civil works in the vicinity of the pipelines.

During the course of 2006 20 enquiries were received via the Freecall 1100 “Dial Before You Dig” asset referral service, resulting in 10 in-field responses in relation to third party activities along the pipeline easement.

There were no third party encroachments on the pipeline easement in 2006, however there was one unauthorized activity at the Mount Gambier MS as detailed previously.

7 ENVIRONMENTAL MANAGEMENT

During 2006 Epic Energy complied with all its environmental requirements as detailed in the Statement of Environmental Objectives.

Appendix A contains the “Assessment of Declared Objectives” completed for the SEP system.

8 EMERGENCY RESPONSE

Pipeline Licence 3&4 state that an ERE is to be conducted on the SEP system every two years

A gas leak at the SEP Nangwarry pressure reduction station was reported by a member of the public. Epic Energy declared an Emergency situation and a full mobilization emergency response exercise was carried out. Maintenance staff attended the site identified the problem and affected a repair. A detailed report titled “Operation Nangwarry” has been prepared and forwarded to PIRSA.

9 REGULATORY COMPLIANCE

Every endeavor is made to ensure that design, manufacture, construction, operation, maintenance and testing of all appropriate facilities, is carried out in accordance with AS2885.

There are no known outstanding non compliances for the SEP system that Epic Energy is aware of against:

- The Petroleum Act & Regulations 2000
- The Pipeline Licence (PL3&4)
- The Statement of Environmental Objectives

Any non-compliance identified is logged in the CMMS where it is tracked to conclusion. Significant items are reported through to PIRSA immediately. All other issues are raised at the quarterly meetings between Epic Energy and PIRSA.

10 RISK MANAGEMENT

Epic Energy continually reviews 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.

Epic Energy utilizes the following risk management strategies to minimize risks to ALARP:

- Aerial & ground monitoring of the pipeline easement activities
- Permit to Work system
- Routine maintenance activities to ensure all of the pipeline facilities are maintained in accordance with best industry practices and the relevant codes and standards that apply
- Design change control
- In accordance with AS2885 Epic Energy conducts 5 yearly metre by metre risk assessment reviews
- Pipeline & Safety awareness program
- Land ownership and use notification system
- Landholder and stakeholder contact program
- Participation in state forums for external risk management
- Free “1100” Dial before You Dig information system

There were no new significant risks identified during 2006.

11 MANAGEMENT SYSTEM AUDITS

11.1 Environmental Audits

Whilst no external environmental audit was carried out during the year, internal processes including ground patrols and landowner contact provided a complete coverage of the environmental status of the SEP system.

A minor gas release occurred at the SEP system Nangwarry pressure reduction station when a pressure reduction regulator diaphragm failed. The manufacturer of these devices have anticipated that diaphragm failures may occur in normal operation and a vent is incorporated in the body design to allow small quantities of gas to pass to atmosphere. Epic Energy have a maintenance regime in place to inspect the diaphragms and other soft goods in devices of this type on a six monthly basis thereby ensuring that failures of this nature are minimized.

Epic Energy has deemed this minor gas release to be a controlled event as the pressure reduction regulator operated inline with its systems design.

During 2006 no environmental non conformances were noted.

An audit against the “Assessment of Declared Objectives” in the SEO was completed as provided in Appendix A.

11.2 Health and Safety Audits

During 2006 Epic Energy conducted health and safety audits of its pipeline facilities. There were no issues identified relating specifically to the SEP system requiring follow up action.

11.3 Management Audit

An onsite facilities and inspection audit was performed by the maintenance management team during 2006. Four senior members from within Epic visited the SEP system and some minor items were identified which were entered into the maintenance management system for rectification.

12 REPORTS ISSUED DURING THE 2006 LICENCE YEAR

The following reports were issued and forwarded to PIRSA-Petroleum Group, during the 2006 licence year:

- PL 3 & 4 Annual Report for 2005
- Operation Nangwarry Emergency Exercise

13 VOLUME OF PRODUCT TRANSPORTED

2792 TJ of natural gas was transported through the SEP system during 2006.

14 PROPOSED OPERATIONAL ACTIVITIES FOR 2006 LICENCE YEAR

During 2006 the following activities are proposed for the SEP system:

- Complete all scheduled routine maintenance activities and corrective maintenance identified
- Submit a 2006 Annual Report early in 2007

15 STATEMENT OF EXPENDITURE

Commercial in Confidence

16 KEY PERFORMANCE INDICATORS

The following key performance indicators have previously been established to monitor performance of operations and maintenance activities on the SEP system. Outlined below are the KPI results for 2006.

	2006 Target	2006 Actual	2006 Comment
Cathodic Protection			
Percentage of the pipeline protected to the AS2885-1997 level	100%	100%	This represents a satisfactory level of protection over the entire length of the pipeline measured at the final October survey.
Third Party Incident			
Number of times pipeline is damaged	0	0	No damaged occurred to the pipeline during the reporting period
Number of near misses (digging within 1m of pipeline)	0	0	No activities of this nature that involved Epic Energy the owner or a third party were identified during the reporting period.
Exposure of pipeline due to washout and wind erosion	0	0	During the reporting period, there were no instances of the pipeline cover being eroded due to wind or water.
SCADA and Leak Detection			
Reliability of SCADA and Leak Detection System	100%	99.3%	During the reporting period a number of communications outages were caused as a result of inclement weather or equipment failures and these were rectified in a timely manner.
Environmental			
Number of uncontrolled hydrocarbon releases	0	0*	No uncontrolled Hydrocarbon releases were recorded during the reporting period One controlled release of gas from a system designed to function in manner which it did occurred on the SEP system. As such this has been reported but is not classified as an uncontrolled release.
Earth Tremor Surveillance			
Vehicular surveillance immediately after an earth tremor or flood	100%	100%	No floods or earth tremors were reported during 2006.

17 CONCLUSION

The maintenance and inspection programs carried out on the SEP system in 2006 indicated the pipeline is in sound condition and is capable of operating at set parameters with no restrictions.

The CP Survey results supplied in Appendix B indicate the protection level meets the targeted performance levels for this system.

The pipeline is considered to be in good working condition and well maintained.

Appendix A – Assessment of Compliance with SEO Objectives

OBJECTIVE	GOAL	OBJECTIVE ACHIEVED	OBJECTIVE ACHIEVED "YES/NO"	SUPPORTING COMMENTS
1. To avoid unnecessary disturbance to 3rd party infrastructure, landholders or land use	**1.1** To minimise disturbance or damage to infrastructure/land use and remediate where disturbance cannot be avoided	Where disturbance is unavoidable or accidental, infrastructure or land use is restored to the satisfaction of the landholder or to undisturbed condition. Duration of disturbance does not exceed agreed timeframe.	Yes	There was no disturbance or damage to 3rd party infrastructure, landowners or land use as a result of pipeline operations.
	1.2 To minimise disturbance to landholders	No unresolved landholder complaints. Landholder activities not restricted or disturbed as a result of pipeline activities unless by prior arrangement.	Yes	Refer to 1.1
2. To maintain soil stability/ integrity	**2.1** To remediate erosion as a result of pipeline operations in a timely manner	The extent of soil erosion on the easement was consistent with surrounding land.	Yes	The pipeline is routinely patrolled with no erosion or soil inversions detected as part of this activity. If any excavation activities on the pipeline system are required they shall be carried out in accordance with the Epic Energy procedure WM-02-134 which addresses this objective
	2.2 To prevent soil inversion	Vegetation cover is consistent with surrounding land. No evidence of subsoil on surface (colour). Landholder signoff.	Yes	Refer to 2.1

OBJECTIVE	GOAL	OBJECTIVE ACHIEVED	OBJECTIVE ACHIEVED "YES/NO"	SUPPORTING COMMENTS
3. To maintain native vegetation cover on the easement	**3.1** To maintain regrowth of native vegetation on the easement to be consistent with surrounding area	Species abundance and distribution on the easement was consistent with the surrounding area. Note: assessment of the consistency with surrounding areas will take into account that regrowth is a time and rainfall dependent process.	Yes	The native vegetation within the pipeline easement is consistent with surrounding environment as per an environmental audit conducted.
	3.2 To minimise additional clearing of native vegetation as part of operational activities	Vegetation clearing within the easement or on land adjacent to the easement is limited to previously disturbed areas or areas assessed to be of low sensitivity, unless prior regulatory approval obtained.	Yes	3 excavations were carried out in 2006 due to ILI results. All excavations were carried out in accordance with WM 02-134 which states: Spread seed bearing topsoil over excavation site and scarify topsoil to allow seeds to bed"
	3.3 To ensure maintenance activities are planned and conducted in a manner that minimises impacts on native fauna	Vegetation clearing within the easement or on land adjacent to the easement is limited to previously disturbed areas or areas assessed to be of low sensitivity, unless prior regulatory approval obtained.	Yes	Refer to 3.2

OBJECTIVE	GOAL	OBJECTIVE ACHIEVED	OBJECTIVE ACHIEVED "YES/NO"	SUPPORTING COMMENTS
4. To prevent the spread of weeds and pathogens	**4.1** To ensure that weeds and pathogens are controlled at a level that is at least consistent with adjacent land	The presence of weeds and pathogens on the easement was consistent with or better than adjacent land. No new outbreak or spread of weeds reported.	Yes	The presence of weeds and pathogens on the easement is consistent with adjacent land as per an environmental audit conducted.
5. To minimise the impact of the pipeline operations on surface water resources	**5.1** To maintain current surface drainage patterns	For excavations, surface drainage profiles restored. For existing easement, drainage is maintained to pre-existing conditions or better.	Yes	There were no alterations to existing landscapes or drainage patterns during 2006.
6. To avoid land or water contamination	**6.1** To prevent spills occurring, and if they occur minimise their impact	No evidence of any spills or leaks to areas not designated to contain spills. In the event of a spill, the spill was: • Reported • Contained • Cleaned-up, and • Cause investigated and corrective and/or preventative action implemented. Compliance with relevant sections of the Environment Protection Act.	Yes	No spills occurred in 2006.

OBJECTIVE	GOAL	OBJECTIVE ACHIEVED	OBJECTIVE ACHIEVED "YES/NO"	SUPPORTING COMMENTS
	6.2 To ensure that rubbish and waste material is disposed of in an appropriate manner.	No evidence of rubbish or litter on easement or at facilities. No evidence that waste material is not contained and disposed of in accordance with Epic Energy approved procedures.	Yes	All rubbish generated as a consequence of operational and maintenance activities is collected, removed from site and disposed of at an approved waste disposal facility.
	6.3 To prevent impacts as a result of waste water disposal	No evidence of impacts to soil, water and vegetation as a result of water disposal (i.e. soil erosion, dead vegetation, water discoloration).	Yes	No maintenance activities were conducted that required the disposal of waste water and in addition no facilities have any systems installed that generate waste water.
7. To minimise the risk to public health and safety	**7.1** To adequately protect public safety during normal operations	No injuries or incidents involving the public. Demonstrated compliance with AS 2885. Emergency procedures implemented and personnel trained.	Yes	Epic Energy has an extensive property owner and community awareness program in place that ensures the general public are well aware of the pipeline system and its operation. Any work undertaken by Epic Energy staff is carried out using approved work instructions, job hazard analysis, permit to work and experienced staff which all contribute to Epic Energy meeting this objective. The pipeline was designed and constructed using AS2885.1 & 2 and is operated and maintained in accordance with AS2885.3 Given the above Epic Energy believe that adequate protection measures are in place to minimize risk to the general public to an acceptable level

OBJECTIVE	GOAL	OBJECTIVE ACHIEVED	OBJECTIVE ACHIEVED "YES/NO"	SUPPORTING COMMENTS
	7.2 To adequately protect public safety during maintenance	No injuries or incidents involving the public. Emergency procedures implemented and personnel trained.	Yes	As per comments in 7.1
	7.3 To avoid fires associated with pipeline maintenance activities	No pipeline related fires. Emergency procedures implemented and personnel trained.	YES	There were no fires on the SEP system during 2006 All field staff have received "First 5 Minute" fire training.
	7.4 To prevent unauthorised activity on the easement that may adversely impact on the pipeline integrity	No unauthorised activity on the easement that has the potential to impact on the pipeline integrity.	No	There were no easement encroachments identified or reported during 2006. As detailed previously in the Incident reporting section an Origin Energy employee entered the Mount Gambier meter station to carry out maintenance activities on their odorant facility. This has been identified as a third party encroachment and managed accordingly.
8. Minimise impact of emergency situations	**8.1** To minimise the impact as a result of an emergency situation or incident	Emergency response procedures are effectively implemented in the event of an emergency. Emergency response exercises are aligned with credible threats and consequences identified in the risk assessment.	Yes	The rupture of a regulator diaphragm at a Meter Station resulted in an emergency being declared. The resultant handling of the emergency was consistent with Epic Energy's expectations with the report on the emergency finding that all aspects of the emergency had been dealt with in an timely and professional manner

OBJECTIVE	GOAL	OBJECTIVE ACHIEVED	OBJECTIVE ACHIEVED "YES/NO"	SUPPORTING COMMENTS
	8.2 To restore any damage that may occur as a result of an emergency situation	Refer to previous criteria (Objective 1, 2, 3 & 6). What are objectives 1,2,3 &6	Yes	Refer to 8.1
9. To minimise noise due to operations	**9.1** To ensure operations comply with noise standards	Operational activities comply with noise regulations, under the Environment Protection Act 1993. No complaints received.	Yes	Excessive noise of the product discharging (reported in section 10) from the meter station drew attention to the product escaping. This was not reported as a complaint.
10. To minimise atmospheric emissions	**10.1** To eliminate uncontrolled atmospheric emissions	No uncontrolled atmospheric emission.	Yes	A controlled atmospheric emission occurred in August when a regulator malfunctioned due to a diaphragm failure, in accordance with the design of the system. Minimal gas to atmosphere resulted in this failure
	10.2 To minimise the generation of dust.	No complaints received. No dust related injuries recorded.	Yes	No operation and maintenance activities were conducted that contributed to the generation of any dust over and above that which is normally expected in the areas where the pipeline is installed.

OBJECTIVE	GOAL	OBJECTIVE ACHIEVED	OBJECTIVE ACHIEVED "YES/NO"	SUPPORTING COMMENTS
11. To adequately protect cultural heritage sites and values during operations and maintenance	**11.1** To ensure that identified cultural sites are not disturbed	No impact to known sites. Any new sites identified are recorded in Land Management System and reported to appropriate authority.	Yes	No operation and maintenance activities occurred that would have had the potential to impact on any cultural heritage sites or the values of native peoples.