

Ring Fencing Policy

June 2017

Version 9.0

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Review Required by:

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Applicable to:

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| <input checked="" type="checkbox"/> Tas Gas Networks | <input type="checkbox"/> Enwave Energy |
| <input checked="" type="checkbox"/> Tas Gas Retail | <input type="checkbox"/> Enwave Central Park |
| <input type="checkbox"/> Enwave Victorian Networks | <input type="checkbox"/> Enwave Mascot |
| <input type="checkbox"/> Enwave Regional Energy (Victoria) | <input type="checkbox"/> Enwave Parramatta |
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Document History

Version No.	Published Date	Description of Change
1.0	June 2011	New document.
2.0	Oct 2011	Document update.
3.0	Mar 2012	Parent company details updated.
4.0	April 2012	GM title changed to CEO.
5.0	Nov 2013	Document review.
6.0	August 2014	Insert Works' Manual table, Properties and update Definitions table.
7.0	Sept 2015	Clarify Tas Gas and independent co-ordinator roles. New wording, ninth bullet, in Section 5.4.
8.0	Feb 2016	Transferred to new Brookfield template.
9.0	June 2017	Complete content review and update.

References

Cited in this Document

Title	Document Number
Code of Conduct Policy	BMSDOC-18-378
Gas Customer Transfer and Reconciliation Code – Office of the Tasmanian Economic Regulator	2011
Ring Fencing Procedure	BMSDOC-18-1649

Additional Reading

Title	Document Number
Management Review and Auditing	BMSDOC-18-471

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1. SCOPE

This policy applies to Tas Gas Networks (TGN) and Tas Gas Retail (TGR), which are subsidiaries of Enwave Australia Pty Ltd, and their directors, employees, contractors and sub-contractors as appropriate.

2. DEFINITIONS

Term	Description
Enwave	Enwave Australia Pty Ltd includes, but is not limited to, the following subsidiaries: <ul style="list-style-type: none"> Tas Gas Networks (TGN) Tas Gas Retail (TGR) Enwave Victorian Networks Enwave Regional Energy (Victoria) Enwave Energy Enwave Central Park Enwave Mascot Enwave Parramatta
CEO	The Chief Executive Officer of Tas Gas Networks and Tas Gas Retail
Independent Retailer	An entity which holds a Gas Retail Licence under the <i>Gas Act 2000</i> (Tasmania) and is not a related body corporate of Tas Gas Networks or Tas Gas Retail.
OTTER	Office of the Tasmanian Economic Regulator

3. POLICY OBJECTIVES

The objective of this policy is to ensure that practices are in place to maintain a non-discriminatory, fair and open market for all gas retailers in Tasmania with no commercial advantage being granted to Tas Gas Retail which could be to the detriment of any Independent Retailer.

These practices are integrated into everyday operations and include a separation of: confidential and financial records; commercially sensitive information; and, where appropriate, marketing and sales activities.

4. RESPONSIBILITIES UNDER THIS POLICY

Responsibilities under this policy are as follows:

- **Senior Vice President - Risk & Regulatory, Brookfield Infrastructure Group** (Independent Coordinator) is responsible for: the overview and monitoring of compliance with this policy; providing an independent assessment; carrying out investigations; and addressing potential breaches. The Independent Coordinator may delegate some of his responsibilities to the CEO.
- **CEO** is responsible for ensuring this policy is: communicated and enforced throughout the business; and reviewed where there is a significant change to the legislation, business context and/or change in the Independent Coordinator. The CEO may delegate some of his responsibilities to the Safety and Compliance Manager.
- **Safety & Compliance Manager** is responsible for ensuring this policy is: embedded into the day-to-day operations of all staff; included in the induction process; and presented as an annual refresher to all staff. He is also responsible for reporting any potential breaches in writing to the Independent Coordinator.
- **All Managers** are responsible for ensuring the appropriate working environment is maintained to ensure their staff are easily able to adhere to the conditions set out in this policy.

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- **All Staff** are responsible for being vigilant at all times to ensure the conditions set out in this policy are adhered to and to report any potential breaches to their manager or to the Safety & Compliance Manager as soon as they occur.

5. BACKGROUND

TGN is a legal entity and the holder of a *Gas Distribution Licence* under the Gas Act 2000. TGR is also a legal entity and the holder of a *Gas Retail Licence* under the Gas Act 2000.

Clause 10.3 of TGN's Gas Distribution Licence requires TGN to comply with any "code issued by the Director of Gas relating to the ring-fencing of accounts or operations."

TGN is a natural gas distributor and does not produce, purchase or sell natural gas. The Director of Gas requires TGN to put certain conditions in place to ensure a free, fair and open natural gas market with no commercial advantage granted to TGR as a result of being a related body corporate, which may be to the detriment of an Independent Retailer.

6. APPLICATION

This policy sets out the commitments made by Tas Gas Networks in relation to its natural gas operations in Tasmania. The arrangements set out in this policy are considered to be the minimum requirements and any change to them which may dilute their effectiveness must be approved by the CEO.

7. COMMITMENTS

TGN has committed to the following conditions:

- No person who is an employee of TGN will also be an employee of TGR.
- Marketing staff of TGN will not engage in the production, purchase or sale of natural gas and no staff involved in the production, purchase or sale of natural gas by a related business will be employed by TGN.
- The Independent Coordinator (or his delegate) will regularly brief each employee of both TGR and TGN on:
 - the requirements of this policy and, in particular, that no employee of TGN may discuss with or divulge to any employee of TGR any confidential information obtained from an Independent Retailer;
 - any specific confidentiality requirements imposed by an Independent Retailer and accepted by TGN; and
 - general obligations of confidentiality and non-disclosure as imposed by law, through contractual arrangements or in accordance with the *Code of Conduct Policy* (BMSDOC-18-378).
- Each employee will be provided with access to a copy of this policy and the associated *Ring Fencing Procedure* (BMSDOC-18-1649).
- TGN will only use information provided by a retailer for the purpose for which it was provided or as specifically authorised by the retailer.
- Information created, obtained or processed by TGN in respect of the supply of gas by an Independent Retailer must be kept secure, physically separate and available only to authorised employees of TGN.
- Each entity's Board agenda, memos, minutes and resolutions shall be kept physically separate and available only to directors and authorised employees of that entity.
- Each entity's financial records and bank accounts will be kept separate and only available to authorised employees of that entity.

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- TGN will separately account for ancillary services (including metering data provider and allocation agent duties as set out in the *Gas Customer Transfer and Reconciliation Code* (OTTER) and allocate shared costs across activities.
- Each entity will have its own separate website, telephone and fax systems with unique numbers.
- TGN will charge the same tariff to all customers for a given service offering. Tariffs may only vary where non-standard services are sought or for services provided to different customer classes.
- TGN and TGR will operate from separate offices and maintain a physical separation between their respective employees, files, records and work facilities (e.g. printers and desks).
- A regular review will be conducted by the Independent Coordinator, or his delegate who is not involved in the day-to-day affairs of either TGN or TGR, to assess compliance with this policy.
- Any breach of these conditions will be reported in writing to the Independent Coordinator together with such information as may be necessary for the Independent Coordinator to investigate the breach and to direct remedial action.

8. INDEPENDENT COORDINATOR

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Position: Senior Vice President - Risk & Regulatory
Brookfield Infrastructure Group
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9. COMMUNICATION

This policy is to be:

- Communicated on at least an annual basis to all employees.
- Included in the induction package for employees.
- Included in the contract documentation for service and operations and maintenance contractors if appropriate.
- Communicated to any other consultants and contractors who may be involved in work relating to commercial arrangements and/or information systems as appropriate.

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POLICY STATEMENT

Enwave Australia supports the promotion of fair and effective competition in the supply of natural gas as a key sustainability principle and as such considers it is in the best interests of Tas Gas Networks (TGN), Tas Gas Retail (TGR) and their consumers. TGN has committed to the following conditions:

- No person who is an employee of TGN will also be an employee of TGR.
- Marketing staff of TGN will not engage in the production, purchase or sale of natural gas and no staff involved in the production, purchase or sale of natural gas by a related business will be employed by TGN.
- The Independent Coordinator (or his delegate) will regularly brief each employee of both TGR and TGN on:
 - the requirements of this policy and, in particular, that no employee of TGN may discuss with or divulge to any employee of TGR any confidential information obtained from an Independent Retailer;
 - any specific confidentiality requirements imposed by an Independent Retailer and accepted by TGN; and
 - general obligations of confidentiality and non-disclosure as imposed by law, through contractual arrangements or in accordance with the *Code of Conduct Policy*.
- Each employee will be provided with access to a copy of this policy and the associated procedure.
- TGN will only use information provided by a retailer for the purpose for which it was provided or as specifically authorised by the retailer.
- Information created, obtained or processed by TGN in respect of the supply of gas by an Independent Retailer must be kept secure, physically separate and available only to authorised employees of TGN.
- Each entity's Board agenda, memos, minutes and resolutions shall be kept physically separate and available only to directors and authorised employees of that entity.
- Each entity's financial records and bank accounts will be kept separate and only available to authorised employees of that entity.
- TGN will separately account for ancillary services (including metering data provider and allocation agent duties as set out in the *Gas Customer Transfer and Reconciliation Code* (OTTER) and allocate shared costs across activities.
- Each entity will have its own separate website, telephone and fax systems with unique numbers.
- TGN will charge the same tariff to all customers for a given service offering. Tariffs may only vary where non-standard services are sought or for services provided to different customer classes.
- TGN and TGR will operate from separate offices and maintain a physical separation between their respective employees, files, records and work facilities (e.g. printers and desks).
- A regular review will be conducted by the Independent Coordinator, or his delegate who is not involved in the day-to-day affairs of either TGN or TGR, to assess compliance with this policy.
- Any breach of these conditions will be reported in writing to the Independent Coordinator together with such information as may be necessary for the Independent Coordinator to investigate the breach and to direct remedial action.

On becoming aware of any suspected breach, staff members must advise their manager who must report the incident immediately to the Safety & Compliance Manager who will provide a written report to the Independent Coordinator.

Simon Himson
Chief Executive Officer

June 2017