



Your Ref: AA1000396
Our Ref: 15195113
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16 November 2017

Australian Competition and Consumer Commission
23 Marcus Street
Canberra ACT 2601

Dear Mr Bell

Re: AA1000396 – Western Australian and Northern Territory LNG Producers – submission

Synergy welcomes the opportunity to comment on the application for authorisation from Chevron Australia Pty Ltd, Shell Australia Pty Ltd, Inpex Operations Australia Pty Ltd and Woodside Energy Limited (**Applicants**) lodged with the Australian Competition and Consumer Commission (**ACCC**) on 12 September 2017 (**Application**).

Synergy is concerned by the assertion in the Application that the shutdown of the whole or part of an LNG train or the carrying out of maintenance on the infrastructure will not have any impact on the supply of domgas. The assertion is expressed as a foregone conclusion, with no supporting information.

Synergy would have concerns if the Proposed Conduct (as defined in the Application) had the potential to lead to certain LNG facilities, from which Synergy receives supply, not returning to full service as soon as possible in preference to the completion of maintenance on another LNG Facility. There is insufficient information in the Application for Synergy to assess this itself. However, given this is a significant threshold issue for the Western Australian domestic gas industry Synergy considers it should be tested.

Synergy would also have concerns if the Applicants used the information gained from the Proposed Conduct to give it an advantage in any domestic gas trades or domestic demand or supply strategies. To this end, Synergy has considered the condition imposed in the authorisation Australia Pacific LNG Pty Ltd & Ors - Authorisations - A91516 & A91517.

As the ACCC will be aware, in Western Australia rule 71 of the Gas Services Information Rules requires LNG facility operators to provide certain information on planned work to the AEMO. High level planned work is then disclosed on the Gas Bulletin Board <https://gbbwa.aemo.com.au/#reports/mediumTermCapacity>.

To the extent that the Applicants are disclosing information at a more detailed level than made public via the Gas Bulletin Board or are not fully complying with the existing disclosure requirements, Synergy considers there is likely to be benefit in also making information exchanged under the Proposed Conduct publicly available to address information asymmetries. Synergy would be interested in any commentary from industry participants regarding compliance with the existing disclosure requirements.

Lastly, Synergy notes the Applicants have sought authorisation for a term of 10 years. Given the significant changes in the Western Australian gas industry dynamics expected over the next 5 years, Synergy considers a term of 10 years is too long. A shorter term, if authorised, would allow the Proposed Conduct to be assessed against the changed market dynamics if it was to be renewed.

If you have any queries in relation to the matters discussed in this letter, please contact myself on (08) 6282 7266

Yours faithfully



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