



**Australian
Competition &
Consumer
Commission**

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Our Ref: 58502
Contact Officer: Michael Drake
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30 October 2015

Sent by email

Dear Sir/Madam

Australia Pacific LNG Pty Ltd and Others applications for authorisation (A91516-A91517) – interested party consultation

The Australian Competition and Consumer Commission (the ACCC) has received applications for authorisation from various liquefied natural gas (**LNG**) producers with facilities on Curtis Island.

In particular, the applications were received from the participants of the Australian Pacific LNG Project, the Queensland Curtis LNG Project and the Gladstone LNG Project (**the Applicants**). The specific producers are listed at Schedules 1 to 3 of the supporting submission to the applications.

The ACCC invites you to comment on the application. Please see the ACCC's online publication [Authorisation process - the basics](#) for a summary of the authorisation process and how to make a submission to the ACCC.

The applications for authorisation

The Applicants are each developing LNG facilities on Curtis Island, each of which involves the extraction and processing of natural gas, including coal seam gas, and conversion to LNG for export.

The Applicants seek authorisation to discuss and enter into arrangements regarding the sequencing and timing of scheduled maintenance works at each of their LNG facilities, including the sequencing and timing of shutdowns and partial plant outages associated with such maintenance by:

- identifying the maintenance requirements for each of the LNG facilities
- classifying maintenance campaigns (that is, minor or major)
- identifying optimal maintenance windows having regard to factors such as climate, safety considerations and local resource constraints

- scheduling maintenance in such a way as to minimise contractor mobilisation and demobilisation costs
- developing processes to:
 - nominate preferred dates for planned maintenance
 - negotiate and agree proposed dates
 - inform each other about ad hoc unplanned maintenance
 - consult about variations to proposed maintenance dates
 - resolve conflicts where maintenance dates overlap and
 - prepare and agree a schedule of planned maintenance at each LNG facility.

Authorisation is also requested to exchange information between the Applicants about:

- maintenance techniques and operational processes, including personnel requirements, specialist equipment and the use, storage, transport and disposal of hazardous chemicals
- potential resource constraints associated with particular shutdown windows and discussing mitigation options and
- disclosing the names of the maintenance contractors who have been appointed by each Applicant to undertake the relevant LNG facility maintenance, subject to applicable third party confidentiality restrictions.

The proposed conduct for which authorisation is sought does not include any joint purchasing by the Applicants. Authorisation is sought for a period of 20 years.

A full copy of the application for authorisation is available on the ACCC's website www.accc.gov.au/AuthorisationsRegister. A copy of the application and supporting submission is also enclosed with this letter.

Interim authorisation

The Applicants have requested interim authorisation so that they can immediately commence discussions and take steps to agree on the sequencing and timing of scheduled maintenance at their LNG facilities, including the sequencing and timing of associated shutdowns and outages.

The Applicants submit that, given the large amount of planning involved in scheduling a maintenance shut down, interim authorisation is necessary to allow them to commence discussions as soon as possible for the first major scheduled maintenance at the new LNG facilities. The first scheduled maintenance is expected to occur in the next 12-24 months, and likely to be between September to October 2016 and April to May 2017.

The ACCC endeavours to deal with requests for interim authorisation quickly. In making an assessment as to whether it is appropriate to grant interim authorisation, the ACCC is not required to undertake a full assessment of the benefit and detriment likely to arise as a result

of the proposed conduct.

The ACCC decides whether to grant interim authorisation on a case by case basis. Should an applicant request interim authorisation, the ACCC will usually consider a range of factors, including harm to the applicant and other parties if interim is or is not granted, possible benefit and detriment to the public, the urgency of the matter, and whether the market would be able to return to substantially its pre-interim state if the ACCC should later deny authorisation.

Request for submissions

The ACCC invites you to make a submission on the likely public benefits and effect on competition, or any other public detriment, from the proposed conduct. You are also free to comment on any other issue you consider relevant to the ACCC's assessment.

The ACCC encourages you to read the supporting submission to the application prior to lodging a submission.

If you intend to provide a submission in relation to the applications, please do so by **20 November 2015**. Submissions should be emailed to adjudication@acc.gov.au with the subject "A91516-A91517 – Australia Pacific LNG Pty Limited and others – submission".

Alternatively, if you would like to provide comments orally, please contact Michael Drake on 03 9658 6517 to organise a suitable time.

The authorisation review process is a public process. Accordingly, submissions—including oral submissions—are placed on the ACCC's public register unless a confidentiality claim is made. When making a submission, please confirm that you consent to the submission being placed on the public register, or make a request that your submission (or parts thereof) be excluded from the public register. If you wish to exclude some or all of your submission from the public register, please see the ACCC's online publication [Guidelines for excluding information from the public register](#).

You can also forward this letter to any other party who may wish to make a submission to the ACCC regarding the applications.

Timetable

The ACCC will progress its assessment of the application in a timely manner. An indicative timetable is set out below for your information.

15 October 2015	Lodgement of application and supporting submission, including request for interim authorisation.
30 October 2015	Public consultation process begins.
20 November 2015	Closing date for submissions from interested parties in relation to the applications.
November/December 2015	Applicant responds to issues raised in the public consultation process.
December 2015	ACCC decision regarding interim authorisation.
January/February 2016	Draft determination.
February/March 2016	Public consultation on draft determination, including any conference if called.
March/April 2016	Final determination.

Please advise if you do not wish to make a submission at this time, but would like to be informed of the progress of the application at the draft and final determination stages. If you are able to, please provide a nominated contact email address for future correspondence.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please contact Michael Drake on (03) 9658 6517 or adjudication@acc.gov.au.

Yours sincerely



Lyn Camilleri
 Director
 Adjudication

List of Interested Parties

ABB Australia Pty Limited
AEMC
AEMO
AGL Wholesale Gas Limited
Arrow Energy Trading Pty Ltd
Australian Gas Networks Limited
B P Australia Pty Ltd
BOC Limited
Braemar Power Project Pty Ltd
Bureau Veritas Asset Integrity and Reliability Services Pty Ltd
Buslink Queensland Pty Ltd
Cameron Services International Pty Ltd
Contract Resources Pty Ltd
Curtis Island Assets Pty Ltd
Department of Energy and Water Supply (DEWS), Queensland Government
Department of Environment and Heritage Protection (QLD)
Department of Natural Resources and Mines (Qld)
Department of State Development (Qld)
Dept of Industry, Innovation and Science
Elgas Limited (owned by BOC)
Emerson Process Management
EnergyAustralia Pty Ltd
EnerMech Pty Limited
Esso Australia Resources Pty Ltd
Furmanite Australia Pty Ltd
GE Oil & Gas Australia Pty Ltd
Gladstone Regional Council
Incitec Pivot Limited
International Power (Energy) Pty Ltd

Intertek Technical Services Pty Limited
Isenring Electrics Pty Ltd
Jacobs Group (Australia) Pty Limited
Oakey Power Holdings Pty Ltd
Queensland GasFields Commission
Regional Asset Maintenance Services Pty Ltd
Senex Energy Limited
Solar Turbines International Company Australia Branch dba Solar Turbines Australia
Stanwell Corporation Limited
SVT Holdings Pty Ltd
Toll Energy Logistics Pty Ltd
Transit Systems Pty Ltd
UGL Operations and Maintenance Pty Ltd
UOP Equitec Services, Inc.
Veolia Environmental Services (Australia) Pty Ltd
Visy Paper
WorleyParsons Services Pty Limited