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18 February 2016

Dear Sir/Madam

Australia Pacific LNG & Ors applications for authorisation A91516-A91517 – draft determination and interim authorisation

The Australian Competition and Consumer Commission (the ACCC) has issued a draft determination in respect of the applications for authorisation lodged on 15 October 2015 by:

- Australia Pacific LNG Pty Ltd
- The Queensland Curtis LNG Project; and
- Gladstone LNG

(together, the Applicants).

Please see the ACCC's publication <u>Authorisation process – the basics</u> for a summary of the authorisation process and how to make a submission to the ACCC.

The Applicants applied for authorisation to coordinate their maintenance scheduling, and to share information about maintenance techniques and maintenance service providers they have used at their facilities (the **proposed conduct**).

Draft determination

A copy of the ACCC's draft determination is attached.

For the reasons set out in its draft determination, the ACCC proposes to grant conditional authorisation for five years.

The condition of authorisation requires the Applicants to publish maintenance schedule information that they have shared with each other. The condition is intended to address a likely detriment of the proposed conduct of giving the Applicants the ability to trade advantageously in domestic markets.

Interim authorisation

At the time of lodging the applications, the Applicants also requested the ACCC grant interim authorisation to allow them to commence discussions about maintenance schedules while the ACCC considered the substantive applications for authorisation.

For the reasons set out in the draft determination attached, the ACCC has decided to grant interim authorisation subject to the condition.

The ACCC is seeking feedback on the condition as part of its consultation on the draft determination. The condition imposed in the final determination (should the ACCC decide to grant authorisation) may be different to the condition imposed on interim authorisation.

Next steps

Once the ACCC issues a draft determination, the Applicant or any interested party may make a written submission and/or request that the ACCC convene a 'pre-decision conference'.

If you wish to make a submission in response to the ACCC's draft determination, please lodge your submission by **4 March 2016**. Submissions should be emailed to adjudication@accc.gov.au with the subject "A91516-A91517 — Australia Pacific LNG Pty Ltd & Ors — submission".

A pre-decision conference provides the opportunity for interested parties to make oral submissions in relation to the draft determination. Conferences are conducted informally and while legal or professional advisers are able to attend they are not entitled to participate in the discussion.

If you wish the ACCC to hold a pre-decision conference in relation to the draft determination you must notify the ACCC in writing by **3 March 2016**.

The ACCC will consider any submissions it receives, including any oral submissions made should a pre-decision conference be called, and will then release a final determination in relation to these applications.

Submissions will be placed on the ACCC's public register subject to any request for exclusion. Please see the ACCC's publication <u>Guidelines for excluding information from the public register</u>.

Timetable

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

Indicative date	Stage in assessment process
15 October 2015	Lodgement of application and supporting submission, including request for interim authorisation
30 October 2015 – 20 November 2015	Initial public consultation
19 January 2015 – 1 February 2016	Consultation round on draft condition
19 February 2016	Draft determination and conditional interim authorisation

Indicative date	Stage in assessment process
4 March 2016	Closing date for submissions on draft determination
March/April 2016	Final determination

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter please do not hesitate to contact Michael Drake on (03) 9658 6517 or adjudication@accc.gov.au.

Yours sincerely

Baethan Mullen

Acting General Manager

Adjudication Branch