

National Competition Council  
Level 9  
128 Exhibition Street  
MELBOURNE VIC 3000

**Attention: Mr John Feil – Executive Director**

20 April 2010

Dear Mr Feil

**Application for a 15-year no coverage determination for the QCLNG Pipeline**

We refer to the submission dated 15 April 2010, lodged on behalf of Santos Limited in response to the Council's draft recommendation.

In that submission, Santos has questioned the timing of the application by QCLNG Pipeline Pty Ltd (**the Applicant**) for a greenfields pipeline incentive having regard to the requirement, in section 173(1) of the *National Gas Law*, that a greenfields pipeline incentive lapses if the pipeline is not commissioned within 3 years of the incentive being granted.

At page 23 of its application, the Applicant has stated:

*'Construction of the LNG plant, pipelines and gas fields is scheduled to begin soon after FID and conclude in the third quarter of 2013. QGC plans to commission train 1 in late 2013 and train 2 approximately six to 12 months later (early to mid 2014). First production of LNG is planned to begin in the fourth quarter of 2013.'*

This is a summary of the status of the QCLNG Project as a whole and does not specifically address the commissioning of the QCLNG Pipeline.

The Applicant anticipates that it will be in a position to commission the QCLNG Pipeline within 3 years of the granting of the greenfields pipeline incentive for which it has applied. While the Applicant's current estimates relating to timing are commercially sensitive, further information can be provided to the Council on a confidential basis if required. The Applicant also notes that, in the event that the QCLNG Pipeline will not be commissioned within 3 years of a greenfields pipeline incentive being granted, this period can be extended by regulation pursuant to section 173(2) of the *National Gas Law*.

The Applicant makes no other comment within respect to the matters raised in Santos' submission.

If you have any queries please do not hesitate to contact Ashley Busse on (07) 3024 7677.

Yours sincerely

  
Jim Seaton  
General Manager Commercial

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