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Our Reference: APLNG-MGT-CR-150  
Your Reference: N/A

Mr Warwick Anderson  
General Manager  
Network Regulation  
Australian Energy Regulator  
GPO Box 3131  
CANBERRA ACT 2601

### **Powerlink Revised Revenue Proposal 2012/13-2016/17**

Australia Pacific LNG Pty Ltd (APLNG) approved a Final Investment Decision (FID) on the first phase of a two train coal seam gas (CSG) to liquefied natural gas (LNG) project in Queensland in early 2011. Since that time, APLNG has secured binding heads of agreement for gas sales to underpin the second train, and is working towards an FID decision on the second train in 2012.

The APLNG Project aims to create a world scale, long term industry in Queensland, utilising APLNG's substantial CSG resources to produce LNG for international markets. This has already resulted in the generation of jobs and investment in Queensland with award of contracts such as the multi-million dollar high-density polyethylene plastic pipe supply contract which went to a Queensland based manufacturer.

The Project comprises the further development of CSG field and construction of gas pipelines and LNG liquefaction plant and associated facilities to export LNG to international markets. Significant project milestones continue to be met, such as the first delivery of high pressure gas pipe sections into Gladstone and the execution of binding heads of agreement for LNG sales to underpin the second phase of the project.

The availability of secure and reliable grid connected power is an important element in APLNG's plans to develop gas processing and water treatment facilities in the Surat Basin. In particular, it allows the use of electric driven gas compression equipment which minimises the local emission, noise, and physical footprints of the gas processing facilities.

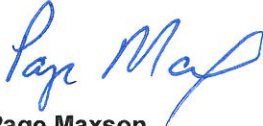
APLNG has already entered into a Customer Connection and Access Agreement with Powerlink to supply the Condamine region to the South of Miles. This connection agreement alone has an Agreed Power Transfer Capability of 289MVA. Further network connection points are currently under consideration for other APLNG production areas in the North West Surat, to be supplied from Wandoan South, which would add approximately 200-250MVA to the expected load in the region. APLNG's obligations to LNG customers mean that full production (and hence full power usage) will be reached within the 2012-2017 regulatory period.

APLNG understands that the Australian Energy Regulator has expressed doubt that the level of load outlined in Powerlink's submission is likely to be achieved in the regulatory period. Given that APLNG is one of three CSG-LNG projects that are working to similar timeframes, and which have taken FID decisions, it seems probable the loads in the region will increase significantly.

APLNG consider it essential that the AER allow Powerlink sufficient contingent project funding to continue to develop the electricity transmission system in a way that supports further development of Queensland's resources industries in a timely and efficient manner. APLNG makes this

submission in support of Powerlink's revised revenue Proposal in terms of their contingent projects in the Surat Basin.

Yours sincerely,



**Page Maxson**  
Chief Executive Officer  
Australia Pacific LNG Pty Ltd