



31 August 2011

Mr John Hall  
Chief Executive Officer  
Queensland Competition Authority  
GPO Box 2257  
BRISBANE QLD 4001

Dear Mr Hall

### **Response to QR Network System Rules – Goonyella Coal Chain**

Xstrata Coal Queensland Pty Limited (Xstrata) welcomes the opportunity to submit its views on the proposed QR Network System Rules for the Goonyella coal chain, dated 30 June 2011.

Xstrata appreciates the work undertaken by QR Network in formulating these Rules for the Goonyella Coal Chain and has been involved in QR Network's consultation both individually and as part of the DBCT User Group.

Xstrata's primary concerns with the document are summarised as follows:

- There is an urgent need to extend these System Rules to include how the Goonyella System will integrate with the other coal systems which are either currently impacting on the operations of the Goonyella system (including Hay Point and Blackwater Rail Systems), as well as those that have been identified as having a significant capacity impact in the future (such as the Newlands System). The current System Rules do not address how this current and future system interaction will be managed and arbitrated.
- Within the Rules there is a level of ambiguity regarding when the consumption of the allocated Train Service Entitlements (TSE's) occurs and how consumption variations are allocated. In particular, specific reference is made to TSE Weekly Orders as well as the details of the current methodology of the 48 hour planning process. Xstrata believes that moving to a weekly consumption of TSE's from the current 48 hour plan will not only stifle flexibility in the current operating environment but may have an adverse affect on producer's TSE consumption as a result of third party changes.

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Xstrata looks forward to the opportunity to further develop these System Rules in conjunction with QR Network and the QCA to ensure all of the concerns raised are addressed.

Please do not hesitate to contact me if you require any further information or clarification.

Yours sincerely



Ian Fuller  
General Manager – Finance  
Xstrata Coal QLD Pty Ltd