

Our ref: MEX-13-499

Dr Malcolm Roberts
Chairman
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

Dear Mr Roberts

The QR Network (2008) June 2010 Access Undertaking (2008AU), which applies to Queensland Rail Limited (Queensland Rail), is set to expire on 31 December 2013. As you are aware, the Authority is currently considering Queensland Rail's Draft Access Undertaking 1 (AU1). Once approved, AU1 will replace the 2008AU.

As part of AU1, more specifically clause 3.4.2, Queensland Rail undertook to review the reference tariff for coal carrying train services in the West Moreton System and submit to the Authority a proposal for a new reference tariff. The reference tariff developed will "reset" the existing reference tariff that has applied under the 2008AU and is proposed to apply from 1 July 2013 to 30 June 2017.

Queensland Rail has developed a reference tariff proposal and accordingly prepared a submission consisting of the following documents:

- AU1 West Moreton Reference Tariff Reset Overall Submission;
- AU1 West Moreton Reference Tariff Reset Capital Submission; and
- AU1 West Moreton Reference Tariff Reset Maintenance Submission.

While the Authority considers Queensland Rail's proposal, transitional reference tariffs will apply from 1 July 2013, being the current reference tariffs escalated by CPI. The adjustment charge provisions in AU1 will allow the reference tariff approved by the Authority to be backdated upon finalisation. Queensland Rail notes that transitional reference tariffs were applied in relation to the 2005 and 2010 Access Undertakings.

Please find enclosed Queensland Rail's submission documents – an unedited version for the Authority and a redacted version (with respect to mine specific volumes) for public release. A copy of the model that derives the proposed reference tariff will be electronically forwarded to officers of the Authority in the near future.

We look forward to working with the Authority and key stakeholders towards the approval of a new reference tariff for the West Moreton System. If you have any questions please do not hesitate to contact Mr Douglas Jasch, Manager Regulation and Policy on (07) 3072 0544.

Yours sincerely



Jim Benstead
Acting Chief Executive Officer

25 June 2013