



NETWORK
T (07) 3019 7480
E Michael.Carter@aurizon.com.au
W aurizon.com.au

Level 5, 192 Ann Street
Brisbane QLD 4000

GPO Box 456
Brisbane QLD 4001



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

Dear John,

Electric Traction Drafting Amending Access Undertaking

I refer to your letter dated 11 January 2013 regarding the commencement of a number of industry workshops on sustainable pricing of electric traction in the electrified coal systems.

I am writing to withdraw Aurizon Network's Electric Traction Draft Amending Access Undertaking (DAAU) that was lodged in December 2011.

Since lodging the DAAU, Aurizon Network has been working with system users to develop alternative models for sustainable electric traction pricing in Blackwater and Goonyella. This consultation has occurred through industry forums, individual customer engagement and publicly through submissions lodged with the QCA in September and November last year. Throughout that process, the prospect of Aurizon Network withdrawing the DAAU and replacing it with an industry endorsed alternative has frequently been canvassed.

The commencement of a series of QCA-initiated and led workshops, focussed on finding an efficient pricing mechanism for electric traction, has put a number of issues that the DAAU sought to address beyond doubt. In particular, the QCA has recognised that the current methodology for setting AT5 is inefficient and has made it clear that it will not allow user-endorsed infrastructure to be stranded.

Given the above, and as a sign of its good faith and willingness to work with stakeholders to find a viable solution, Aurizon Network will withdraw its DAAU whilst continuing its commitment to developing a sustainable alternative. It is hoped that this will give the QCA, system users and Aurizon Network the latitude needed for a constructive workshop process to progress this sustainable alternative.

Aurizon Network is strongly supportive of the workshop process, including the preparation of an alternative DAAU in anticipation the workshops conclude with an agreed outcome. An alternative DAAU may, of course, be necessary in the event the workshops are not successful.

I am happy for this letter to be placed on the QCA's website and to discuss with you.

Yours sincerely,



Michael Carter
Chief Executive Officer
Aurizon Network Pty Ltd

cc Brian Parmenter
Facilitator, Electric Traction Workshops

