

27 SEP 2012

DATE RECEIVED



25 September 2012

Mr Brian Parmenter  
Chairperson  
Queensland Competition Authority  
GPO Box 2257  
BRISBANE QLD 4001

Dear Mr Parmenter

**Re: Draft Decision - QR Network Electric Traction Services Draft Amending Access Undertaking**

Thank you for the opportunity to comment on the Queensland Competition Authority (the Authority) Draft Decision. Stanwell Corporation Limited (Stanwell) currently utilises coal rail haulage services in the Blackwater system. Stanwell is interested in promoting continued provision of network services on an efficient and cost reflective basis that provides an environment for price stability and competitive supply of haulage services.

In principle, Stanwell has no objection to the Draft Decision as proposed by the Authority.

Stanwell as a user of electric traction in the Blackwater system is however still concerned with the current design of the tariff for electric infrastructure (AT5) based on an average price driven by utilisation rates. Existing network users have likely made commitments to use electric traction on the assumption of continued efficient and predictable pricing of the network services. It would still be beneficial to network users if QR Network was encouraged to consider a structural review of the design of AT5. In such a review a tariff design option based on economic efficiency principles should be considered.

We understand that QR Network is continuing to argue a case for a total cost of ownership analysis. We however, share the concern expressed by stakeholders that the validity of such an analysis will always be open to question. A total cost of ownership analysis will ultimately rely on assumptions relating to costs and performance of services provided in a competitive market place and it is conceivable the interested parties will never agree with all the assumptions.

It is our clear preference that a tariff design review is initiated and in the meantime we strongly encourage QR Network to investigate options to improve the utilisation of the electrified system and allocation of network resource costs.

It is acknowledged that a tariff design review will require careful consultation with stakeholders to address concerns for maintaining regulatory certainty.

If you have any questions in relation to this submission please contact Mr Allan Weatherley, Coal Resources Manager on 07 3228 4459 or by email: [allan.weatherley@stanwell.com](mailto:allan.weatherley@stanwell.com)

Yours sincerely



**Tanya Mills**  
**General Manager Portfolio Trading**