



Mr George Passmore  
Queensland Competition Authority  
Level 27, 145 Ann Street  
Brisbane QLD 4001

**Aurizon Network – Draft Amending Access Undertaking to consolidate the Revised UT5 Access Undertaking and the QCA’s preliminary position on the 2019 Volume Reset Draft Amending Access Undertaking**

20 December 2019

Dear George,

Aurizon Network welcomes the Queensland Competition Authority’s (**QCA**):

- decision to approve Aurizon Network’s Revised Draft Amending Access Undertaking (**Revised UT5 Access Undertaking**); and
- preliminary position to accept (in principle) the key aspects of Aurizon Network’s 2019 Volume Reset Draft Amending Access Undertaking (**Volume DAAU**).

Noting that the Volume DAAU was submitted as an amendment to the 2017 Access Undertaking approved by the QCA on 18 July 2019, rather than the recently approved Revised UT5 Access Undertaking, the purpose of this Draft Amending Access Undertaking (**Consolidation DAAU**) is to consolidate both the Revised UT5 Access Undertaking and the Volume DAAU into a single operational Access Undertaking.

For clarity, the Consolidation DAAU seeks to update the Revised UT5 Access Undertaking to only reflect the changes proposed by the Volume DAAU, which included amended volume forecasts for the financial year commencing 1 July 2019 (**FY20**). The changes are in line with the QCA’s preliminary position to accept (in principle) the key aspects of the Volume DAAU provided on 20 December 2019. As outlined in the QCA’s Preliminary Position, Aurizon Network notes that the Queensland Resources Council’s (**QRC**) submission<sup>1</sup> (on behalf of its members) was supportive of the Volume DAAU.

Aurizon Network had foreshadowed the need for the Consolidation DAAU within its Volume DAAU submission, stating that the QCA’s decision on either the Revised UT5 Access Undertaking and Volume DAAU would ultimately need to be reflected in the approval of the other Draft Amending Access Undertaking.

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<sup>1</sup> QRC Submission, Aurizon Network’s FY2020 Volume Reset DAAU, November 2019.

Furthermore, Aurizon Network recognises that the Consolidation DAAU will ultimately impact the 'final' Allowable Revenues and Reference Tariffs that will apply in FY20. Upon receipt of a QCA Final Decision on this Consolidation DAAU, Aurizon Network will update FY20 Reference Tariffs and calculate Adjustment Charges to complete a single, all-encompassing financial reconciliation for FY20, including the revenue differences from the Revised UT5 Access Undertaking. It should be noted that the QRC's submission on the Volume DAAU<sup>2</sup> agreed that "calculating a combined Adjustment Charge following the approval of the later of the two DAAUs is a sensible and efficient approach."

Aurizon Network has provided the Consolidation DAAU in both clean and mark-up form. Detailed financial models in support of the Consolidation DAAU will be provided directly to the QCA. Aurizon Network claims confidentiality over the financial models as they contain customer specific information.

Should you have any queries in relation to this submission, please do not hesitate to contact Michael Bray on [michael.bray@aurizon.com.au](mailto:michael.bray@aurizon.com.au).

Yours sincerely,



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Head of Finance and Regulation Network  
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<sup>2</sup> Ibid

## Appendix A: Revised UT5 DAAU and 2019 Volume Reset DAAU Reference Tariffs and System Allowable Revenues

The following tables outline the Adjusted Allowable Revenues and Reference Tariffs that account for all amendments contained within both the Revised UT5 DAAU and 2019 Volume Reset DAAU.

**Table 1. FY2020 Reference Tariffs**

Financial Year	AT <sub>1</sub>	AT <sub>2</sub>	AT <sub>3</sub>	AT <sub>4</sub>	AT <sub>5</sub>	EC	QCA Levy
Blackwater	0.95	2,318.56	7.34	2.62	2.97	0.86	0.00998
Goonyella	0.66	1,468.94	4.81	0.99	1.54	0.86	0.00998
Moura	1.77	686.69	7.71	1.25	--	--	0.00998
Newlands	1.84	310.52	4.69	0.60	--	--	0.00998
GAPE	1.48	14,414.93	1.36	1.98	--	--	0.00998

**Table 2. FY2020 Allowable Revenues (\$m)**

Revenue	Allowable Revenue (\$m)	
	AT <sub>2-4</sub>	AT <sub>5</sub>
Blackwater	374.8	80.6
Goonyella	284.3	60.3
Moura	44.9	--
Newlands	17.0	--
GAPE	123.4	--

**Table 3. FY2020 Volume Forecast**

Net Tonnes	FY2020
Blackwater	65.4
Goonyella	126.1
Moura	16.5
Newlands	13.2
GAPE	18.9
<b>Total</b>	<b>240.0</b>

## **Appendix B: Draft Amending Access Undertaking (Clean)**

## **Appendix C: Draft Amending Access Undertaking (Mark-Up)**