



26 June 2019

George Passmore
Director Business Performance
Queensland Competition Authority
Level 27, 145 Ann Street
Brisbane, Qld, 4000

Dear George

2019 Electric Traction Draft Amending Access Undertaking

Peabody Energy Australia Pty Ltd (**Peabody**) welcomes the opportunity to provide this submission in response to the Aurizon Network 2019 Electric Traction Draft Amending Access Undertaking (**2019 AT5 DAAU**) as submitted to the Queensland Competition Authority (**QCA**) on the 17 May 2019. It is noted that while the 2019 AT5 DAAU is a new submission it follows from and updates on the previous 2018 Aurizon Network AT5 Submission to which the QCA made a Final Decision on 21 March 2019 (**2018 Decision**).

Peabody owns and operates mines which transport coal through the Goonyella supply chain for export through the Dalrymple Bay Coal Terminal (**DBCT**). This submission is in relation to Goonyella system only and is not intended to consider traction type in any other electrified or non-electrified supply chain.

Peabody supports the proposed 2019 AT5 DAAU, but is concerned that the threshold level for Goonyella, which is set at 71% in order to align with the 2018 Decision is too low. Further analysis to the QCA's *preliminary view that a reasonable floor would more likely have an upper bound of 71% for Goonyella* is required prior to making an informed submission. Once this information is made available it can be examined to ensure that long term investment decisions (incurred or planned) for Aurizon Network and rail haulage operators alike are considered appropriately.

Peabody would request that the QCA release the analysis supporting their view of the threshold levels in the 2018 Decision and subsequently seek to reexamine the appropriate threshold levels considering stakeholder views.

If you have any queries in respect of the submission, please contact me on (07) 3333 5628

Regards

Mark Smith
Director Infrastructure
Peabody Energy Australia Pty Ltd

QLD COMPETITION AUTHORITY

- 1 JUL 2019

DATE RECEIVED

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