

File Ref: 746928

18 June 2014

Ms Helen Gluer
Chief Executive Officer
Queensland Rail Ltd
GPO Box 1429
BRISBANE QLD 4001

Dear Ms ~~Gluer~~ *Helen*

2013 DAU WACC Averaging Period

Thank you for your letter of 10 June 2014 regarding the proposed weighted average cost of capital (WACC) averaging period for Queensland Rail's 2013 Draft Access Undertaking (DAU).

Your letter seeks the QCA's approval of a WACC averaging period of the 20 business days immediately prior to 1 July 2013. The QCA is favourably disposed toward your proposal as it is consistent with common regulatory practice and aligns with the period over which the tariffs will be set.

You will appreciate that the WACC averaging period is one of many matters the QCA will consider when it makes its draft and final decisions on the 2013 DAU – and the QCA will rely on submissions from all stakeholders when it makes those decisions.

Therefore, while the QCA accepts the merits of your arguments for the proposed WACC averaging period, it is not in a position to indicate that it has reached a finalised view on this matter – this will only occur once the QCA has approved a new undertaking for Queensland Rail.

Should you have any queries regarding this matter, please contact Ravi Prasad on 07 3222 0533.

Yours sincerely



Malcolm Roberts
Chairman