

Our Ref: MCR-19-656

Mr Charles Millstead
Chief Executive Officer
Queensland Competition Authority
GPO Box 2257
Brisbane Qld 4001

Dear Mr Millstead

DAU2 WACC AVERAGING PERIOD

Thank you for your correspondence regarding the weighted average cost of capital (**WACC**) averaging period for Queensland Rail's Draft Access Undertaking 2 (**DAU2**).

Queensland Rail supports the Queensland Competition Authority's (**QCA**) proposed 20-business day WACC averaging period for the time-variant parameters (i.e. the risk-free rate and the debt risk premium) beginning on 21 October 2019.

Queensland Rail looks forward to continuing to work with the QCA and industry towards the approval of DAU2.

If you have any questions in relation to this letter please do not hesitate to contact Douglas Jasch, Manager Policy and Regulation, on 3072 0544.

Yours sincerely



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Chief Executive Officer

September 2019