

John Hall
 Chief Executive Officer
 Queensland Competition Authority
 GPO Box 2257
 BRISBANE QLD 4001

Dear John

DRAFT AMENDING ACCESS UNDERTAKING FOR THE VERMONT VIA BLACKWATER REFERENCE TARIFF - ADDENDUM

On 3 July 2009, QR Network gave to the Queensland Competition Authority a Draft Amending Access Undertaking (DAAU) to the QR Network 2008 Access Undertaking to establish a Vermont via Blackwater Reference Tariff.

As the proposed Reference Tariff (Vermont Tariff) is a combination of a minimum contribution to common costs and incremental costs including the capital costs related to the Lake Vermont Spur, the Vermont Tariff is sensitive to the volume forecast.

In responding to the DAAU stakeholders have proposed that the Reference Tariff should not be based on forecasts but rather on actual tonnages railed from the Lake Vermont mine to Gladstone as the two tonnage profiles materially differ.

QR Network has reviewed the actual train services operated from the Lake Vermont mine up to 30 June 2009 and identified the variances between the actual and the submitted tonnages as shown in the table below:

Lake Vermont Tonnages	Jan 09	Feb 09	Mar 09	Apr 09	May 09	June 09	Total
Submitted Forecasts	48,582	127,367	178,992	184,155	251,080	259,204	1,049,380
Difference between Actual and Submitted	0	0	0	41,750	1,524	46,591	89,865
Percent Variation							9%

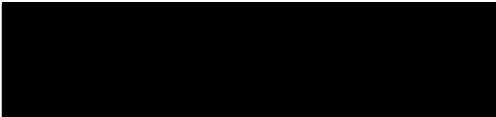
The Vermont Tariff was developed with reference to actual volumes up to 30 April 2009 and forecasts for May and June 2009 respectively. The variance in the month of April is associated with the uncontracted train services operated by a third party operator under a testing agreement. These services were not captured in the volume data at the time of the Vermont Tariff development due to systems integration issues.

While there is some subjectivity as to the materiality of variance between the submitted and actual tonnages, QR Network considers that Lake Vermont should obtain the benefit from that variance.

QR Network is therefore submitting the attached addendum to amend the DAAU to reflect actual coal tonnage volumes operated by train services from Lake Vermont to Gladstone up to 30 June 2009. QR Network considers the addendum to the DAAU as an efficient way to progress the approval of the Vermont Tariff within a reasonable timeframe.

Please contact Dean Gannaway on (07) 3235 2335 should you have any further queries regarding this addendum to the DAAU.

Yours sincerely,



Michael Carter
Executive General Manager
QR Network

15 September 2009

DRAFT AMENDING ACCESS UNDERTAKING FOR THE VERMONT VIA BLACKWATER REFERENCE TARIFF - ADDENDUM

Introduction

This addendum has been prepared to amend the proposed Reference Tariff for the Vermont via Blackwater Cluster to reflect the actual volumes relevant to Train Services operating from the Lake Vermont mine to Gladstone in the period from 1 January 2009 and 30 June 2009. Also a minor amendment has been made to clarify the rate used to determine the quantum of the risk premium is a \$'000 Net Tonne Kilometre rate. In interpreting this addendum:

- This addendum applies only to the Draft Amending Access Undertaking (DAAU) Submission in relation to the proposed Reference Tariff for the Vermont via Blackwater Cluster dated 3 July 2009.
- Unless otherwise specified in this addendum the DAAU remains the same. Only variations to the DAAU have been identified.

Variations to DAAU Submission

Amendment 1 Incremental Railway Management Costs on page 12.

QR Network has determined the risk premium for the Lake Vermont spur with reference to the average of the approved 2005 and 2008 Undertaking risk premium allocation for the Goonyella System per net tonne kilometre. The escalated risk premium applicable to the Vermont spur and balloon loop is \$0.125 /'000 Net Tonne kilometres

Amendment 2. Net Tonne forecasts on page 13.

Table 1. Actual Net Tonnes from the Vermont mine to Gladstone up to 30 June 2009

January	February	March	April	May	June
48,582	127,367	178,992	225,905	252,604	305,795

Amendment 3. Cluster entry test on page 14.

Table 2 Vermont Access Charge Comparisons

	<i>North Blackwater</i>	<i>Incremental + minimum CCC</i>
Access Charge	\$3.20	\$4.00
\$ per net tonne		

Amendment 4. Proposed Reference Tariff on page 18.

Table 2a. Proposed Reference Tariff for Vermont via Blackwater Cluster

Tariff Component	Rate
AT ₁	0.73
AT ₂	2,688.82
AT ₃	0.91
AT ₄	2.15
AT ₅	2.05
EC	0.66
QCA Levy	0.006

Amendment 5. Reference Tariff in Attachment A 2008 QR Network Undertaking (marked-up), Schedule F, Part B on page 226.

5.10.3 Reference Tariff

(a) *The Reference Tariff components (as at 1 Jan 2009) are:*

<u>Reference Tariff Component</u>	<u>Reference Tariff \$</u>
AT ₁	\$0.73
AT ₂	\$2,688.82
AT ₃	\$0.91
AT ₄	\$2.15
AT ₅	\$2.05
EC	\$0.66
QCA Levy	0.006

(b) *The First Escalation Date is 1 March 2009.*

Amendment 6. Reference Tariff in Attachment A 2008 QR Network Undertaking (clean), Schedule F, Part B on page 226.

5.10.3 Reference Tariff

a) *The Reference Tariff components (as at 1 Jan 2009) are:*

Reference Tariff Component	Reference Tariff \$
AT ₁	\$0.73
AT ₂	\$2,688.82
AT ₃	\$0.91
AT ₄	\$2.15
AT ₅	\$2.05
EC	\$0.66
QCA Levy	0.006

b) *The First Escalation Date is 1 March 2009.*