



01 October 2009

Mr John Hall  
Chief Executive  
Queensland Competition Authority  
Level 19, 12 Creek Street  
**Brisbane QLD 4000**

Dear John,

**Re: Dalrymple Bay Coal Terminal – 7X Expansion Project  
Phase 1 Capacity Expansion  
Draft Amending Access Undertaking Submission  
Request for Approval to Amend Annual Revenue Requirement, Revenue Cap &  
Reference Tariff**

DBCT Management Pty Ltd (**DBCTM**) has undertaken an expansion of the Dalrymple Bay Coal Terminal (**DBCT**) to increase current terminal capacity in a number of phases. The Phase 1 Capacity Expansion (**Phase 1**) was commissioned on 3 March 2008.

DBCT is subject to an Access Undertaking (**AU**) approved by the Queensland Competition Authority (**QCA**) on 15 June 2006. The QCA subsequently approved the following amendments to the AU:

- Actual costs of the Short Gain Project on 20 June 2007
- Forecast costs of the Phase 1 Expansion on 17 October 2007
- Forecast costs of the Phase 2/3 Expansion on 20 November 2008

Pursuant to s.12.1 of the AU, and following advice from independent expert Sandwell Engineering, DBCTM has determined Phase 1 capacity to be 68 Mtpa.

Pursuant to s.142(1) of the QCA Act, DBCTM hereby submits a voluntary draft amending access undertaking (**DAAU**) to amend the AU to take into account the actual costs of Phase 1 being included in the regulated asset base. The DAAU proposes amendments to the Annual Revenue Requirement (**ARR**), Revenue Cap and Reference Tariff.

A significant proportion of the total cost of Phase 1 has been finalised, the actual cost for which is included in this DAAU. The remaining costs when finalised will be submitted in accordance with the AU as Outstanding Cost Items, in further DAAUs to adjust the ARR, Revenue Cap and Reference Tariff.

Following approval of this DAAU, the difference between Phase 1 forecast and actual costs will be reconciled in accordance with the unders-and-overs mechanism as provided for in the AU. This reconciliation will be completed in conjunction with the QCA.

In submitting these actual costs for Phase 1 for approval, DBCTM can demonstrate that:

- All contract costs included have previously been approved by the QCA as satisfying the requirements of the undertaking (s.12.5)
- All expenditure was in accordance with relevant regulations, including the AU and TCMP
- The actual costs represent prudent capital expenditure, with all decisions made in the best interests of the project and its stakeholders
- In consideration of the prevailing circumstances, we have delivered a cost-efficient, fit-for purpose terminal capacity expansion to 68Mtpa

DBCTM hereby requests that the QCA approve amendments to the AU to the ARR, Revenue Cap and Reference Tariff as follows:

- in respect of 1 April to 30 June 2008
  - an ARR of \$35,734,830 (previously \$35,067,592)
  - a Revenue Cap of \$35,208,697 (previously \$34,551,284)
  - a Reference Tariff of \$2.1045 (previously \$2.0652)
  
- in respect of 1 July to 31 December 2008
  - an ARR of \$73,152,178 (previously \$71,944,617)
  - a Revenue Cap of \$73,152,178 (previously \$71,944,617)
  - a Reference Tariff of \$2.1541 (previously \$2.1185)
  
- in respect of 1 January to 30 June 2009
  - an ARR of \$86,916,599 (previously \$85,709,038)
  - a Revenue Cap of \$86,916,599 (previously \$85,709,038)
  - a Reference Tariff of \$2.4144 (previously \$2.3808)
  
- in respect of 1 July 2009 to 30 June 2010
  - an ARR of \$210,218,593 (previously \$207,799,132)
  - a Revenue Cap of \$210,218,593 (previously \$207,799,132)
  - a Reference Tariff of \$2.4931 (previously \$2.4644)

In support of the QCA's consideration of our request for approval of these amendments, we enclose the Modelling & Supporting Material.

As some of the information in this submission is confidential, we will need to redact the document prior to disclosure to any other party. Your assistance with this would be much appreciated.

Please contact us if you have any queries or require more information.

Yours sincerely



**Eric Kolatchew**  
Chief Executive Officer  
**DBCT Management Pty Ltd**

cc: Paul Bilyk – Director Ports & Rail