

Our Ref: Paul Bilyk
Direct Line: 3222 0506
File Ref: 334044

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Dear 

DBCT Phase 2/3 Expansion Actual Costs -Draft Amending Access Undertaking

On 25 August 2010, DBCT Management submitted a voluntary draft amending access undertaking (DAAU) seeking to revise the Annual Revenue Requirement (ARR), Revenue Cap and Reference Tariffs for the Dalrymple Bay Coal Terminal, based on the actual costs of expanding the terminal from 68 million tonnes per annum (mtpa) to 85 mtpa (phase 2/3 expansion).

As the Authority had previously approved revenues and tariffs based on the forecast cost of the expansion, this DAAU sought to increase those revenues and tariffs based on the actual costs being \$75.2 million higher than the forecast costs .

On 26 August 2010, the Authority published DBCT Management's DAAU on the Authority's website and invited comments from stakeholders by 16 September 2010. The Authority notified the stakeholders that, in the absence of any submissions to the contrary, the Authority would consider proceeding directly to a final decision on the DAAU. No submissions were received.

Given this, on 23 September 2010, in accordance with s.142 of the Queensland Competition Authority Act 1997, the Authority made a final decision to approve the DAAU for the DBCT phase 2/3 expansion actual costs. A copy of the Authority's decision is available on the Authority's website at: <http://www.qca.org.au/ports/2006AUAmend/dbctcapexph2-3ActCost.php>

The Authority's decision provides for an increase in the DBCT reference tariff by \$0.127 for the 2010-11 financial year. In addition, DBCT Management will be able to seek a single payment from the terminal users to account for the difference between the forecast and actual costs of the phase 2/3 expansion, backdated to the commissioning of the phase 2/3 expansion. The amount of this payment will be finalised by DBCT Management in consultation with the Authority.

If you have any questions on this matter, please contact Paul Bilyk on 07 3222 0506.

Yours sincerely



EJ Hall
Chief Executive