



QLD COMPETITION AUTHORITY

- 2 OCT 2009

DATE RECEIVED

1 October 2009

Mr John Hall  
Chief Executive  
Queensland Competition Authority  
Level 19, 12 Creek St  
Brisbane QLD 4001

Dear Mr Hall

**Response to QR Network Access Undertaking (2008) Proposed Reference Tariff Variation (2008/09 Revenue Cap)**

The purpose of this letter is to respond to the above document and in particular highlight the inequities created as a result of the treatment of UT1 Take or Pay under System Allowable Revenue.

Due to the level of ambiguity in the 2008 Access Undertaking there is no detail as to how UT1 Take or Pay should be treated in relation to QR Network's allowable revenue. On this basis, the current methodology for the treatment of UT1 will result in reduced access charges for the corridor given the amount of UT1 Take or Pay collected above the System Allowable Revenue. This effectively means that UT2 access holders are subsidised as a result of the treatment of UT1 Take or Pay.

QRNational Coal has consulted with us on their submission on this topic and we have provided our full endorsement and support to the issues they have raised.

Should you have any queries please don't hesitate to contact me on 3115 5329.

Yours sincerely

A black rectangular box redacting the signature of Ian Fuller.

Ian Fuller  
Group Manager - Infrastructure  
Xstrata Coal QLD