

File Ref: 741767 ver 2

29 May 2014

Mr Alex Kummant
Chief Executive Officer
Aurizon Network Pty Ltd
GPO Box 456
Brisbane QLD 4001

Dear Mr Kummant *Alex*

2013 Draft Access Undertaking - Pricing and Draft Decision

I am writing to you regarding Aurizon Network's 2013 Draft Access Undertaking (UT4).

As you know, the QCA has been working on a range of matters including reviewing the proposed revenue allowances and prices to apply for the UT4 period. We had intended to release a pricing position paper by the end of May 2014 to inform Aurizon Network and other stakeholders of our early views on revenue and prices. The position paper was also intended to give stakeholders another opportunity to provide their views on the more complex pricing and related matters.

The QCA Board discussed pricing and related matters at our May 2014 meeting. It is now apparent to us that revenue and price issues would be better addressed as part of the broader UT4 framework, allowing all stakeholders to consider the full suite of arrangements to apply for the regulatory period.

We have therefore decided to change our approach. The QCA will not release a position paper but will instead issue a full Draft Decision, including revenue and pricing. This new approach should simplify consultation, save time and allow a more informed discussion of our position on UT4. We are also mindful that Aurizon Network and the Queensland Resources Council are working to identify common ground on some aspects of UT4, including the expansions process and pricing principles, as well in the Standard User Funding Agreements. Releasing a draft decision will give these discussions more time to reach agreement.

With this in mind, our revised timetable (attached) would see a full Draft Decision released in September 2014 and a Final Decision in February 2015.

At this time, I would like to acknowledge the efforts of Aurizon Network staff in providing information to the QCA to assist with the consideration of the 2013 DAU. This co-operation is appreciated.

I propose to publish this letter, and the attached updated timetable, on the QCA's website for the information of all stakeholders. Should your staff wish to discuss this matter, they should contact Ms Tania Homan, Director, on (07) 3222 0504.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Roberts', written in a cursive style.

Malcolm Roberts
Chairman

- cc: *Mr Michael Roche, Chief Executive, Queensland Resources Council*
- cc: *Mr David Irwin, Director, Pacific National Rail*
- cc: *Mr Mauro Neves, Executive Vice President Commercial and Marketing, Aurizon Holdings*

ATTACHMENT: UPDATED PROPOSED TIMETABLE (UT4 and 2013 SUFA DAAU ASSESSMENT)

Task	Indicative Dates
2013 SUFA DAAU Concept Paper	May 2014
UT3 Extension DAAU Final Decision	by June 2014
Submissions on 2013 SUFA DAAU Concept Paper due	June 2014
2013 SUFA DAAU Draft Decision	September 2014
UT4 Draft Decision (including pricing and non-pricing elements)	September 2014
Submissions on 2013 SUFA DAAU Draft Decision due	October 2014
2013 SUFA DAAU Final Decision	November 2014
Submissions on UT4 Draft Decision due	December 2014
UT4 Final Decision	February 2014
UT4 Final Approval	March 2014
UT4 Commences	1 April 2015