

**COMMERCIAL-IN-CONFIDENCE**

12 June 2018

Mr Charles Millstead  
Chief Executive Officer  
Queensland Competition Authority  
Level 27  
145 Ann Street  
BRISBANE QLD 4000

Dear Mr Millstead

**Endorsed Variation Event — West Moreton Network Reference Tariff — Revised estimate**

I refer to Queensland Rail's submission dated 6 April 2018, regarding the West Moreton Network Reference Tariff arising from an Endorsed Variation Event from the execution of the 2018 Cameby Downs Access Agreement for access rights for coal haulage for the period 1 February 2018 to 31 December 2026.

The QCA has identified that the operating expenditure calculation in the Queensland Rail model uses the first year maintenance volume allocators as a basis for subsequent year allocations rather than the volume in each respective year. Year specific allocators are used in the maintenance estimates and for all other allocators in the operating expenditure.

Queensland Rail has amended its model so that the operating expenditure estimates take into account year specific volumes. The revised model reduces the Annual Revenue Allowance in 2018–19 by \$366. While there is no change in the proposed gtk rate due to the change, the train path charge reduces by 3 cents in 2018–19 from \$2,791.23/train path to \$2,791.20/train path.

The amended summary of the review event reference tariff and revised model is attached.

If you have any questions in relation to this matter, please contact Ms Tania Homan on (07) 3027 1173.

Yours sincerely



**Neil Buckley**  
GM, Access Revenue  
Queensland Rail



# Attachment 1: West Moreton Network Modelling — Endorsed Variation Event Reference Tariff — revised

	2016/17A	2016/17B & 2017/18A	2017/18B
Base In \$2016/17			
Base Tariff \$/GTK (000)	\$ 17.92	\$ 17.48	\$ 15.89
Base West Moreton Tariff \$/GTK (000)	\$ 8.95	\$ 8.74	\$ 7.95
Base West Moreton Tariff \$/TP	\$ 3,011.49	\$ 2,964.71	\$ 2,791.20

Net Difference NPV of Allowed/Achieved Revenue Stream	\$ -	\$ -	\$ -
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Goal Seek

Throughput & Rate	Year 1A 2016/17A	Year 1B 2016/17B	Year 1 2016/17	Year 2A 2017/18A	Year 2B 2017/18B	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20
Rosewood to Columboola Only								
Net Tonnes	1,063,862	1,073,440	2,137,302	1,275,080	978,838	2,263,918	2,387,839	2,387,839
GTK 000	581,708	586,945	1,168,652	697,199	535,217	1,232,417	1,302,362	1,302,362
NTK 000								
Paths								
\$/GTK 000 (One Part)	\$17.92	\$17.48		\$17.91	\$16.29		\$16.69	\$17.11
\$/GTK 000 (Two Part)	\$8.96	\$8.74		\$8.96	\$8.14		\$8.35	\$8.56
\$/TP (Two Part)	\$3,011.49	\$2,964.71		\$3,038.83	\$2,860.98		\$2,932.51	\$3,005.82

Summary Annual Revenue	Year 1A 2016/17A	Year 1B 2016/17B	Year 1 2016/17	Year 2A 2017/18A	Year 2B 2017/18B	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20
Rosewood to Columboola Only								
AT1 (Under One Part Tariff Methodology)	19,087,624	18,759,410	37,827,034	22,840,359	15,943,114	38,783,474	39,784,784	40,756,904
AT1 + AT2 (Under Two Part Tariff Methodology)	19,087,624	18,759,410	37,827,034	22,840,359	15,943,114	38,783,474	39,784,784	40,756,904

2016/17A => For the period 01/07/16 to 31/12/16  
 2016/17B => For the period 01/01/17 to 30/06/17  
 2017/18A => For the period 01/07/17 to 31/01/18  
 2017/18B => For the period 01/02/18 to 30/06/18

NPV of Revenue as at 01 Jul 2016	\$ 140,602,069
	\$ 140,602,069